The Impact of Integral Coaching on Toyota Malawi Ltd

A Research Report

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by

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ACKNOWLEDGMENTS

DECLARATION

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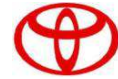
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ABSTRACT

In the search for the next competitive advantage, organisations are now looking towards coaching as a means to empower their executives to become better business leaders. As an emerging concept in traditional coaching theory, integral coaching adopts an all encompassing approach to the coaching process in order to bring to bear all the various fields of human knowledge and endeavours. (Wilber, 2008)

Sievers (2008:01) explains that Integral Coaching is "a discipline that enables clients to become more aware of their current approach to situations, to see new possibilities and then to build sustainable new competencies to achieve outcomes that deeply matter to them. The coach and the client are dedicated to the unique developmental needs of the client."
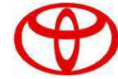
This research report combines integral coaching theory with recent advances in measuring the return on coaching initiatives in order to develop an evaluation model with which to measure the impact of integral coaching on Toyota Malawi Ltd. The primary research methodology incorporated both qualitative and quantitative data specific to Toyota Malawi Ltd within the evaluation model. This was achieved by combining the results of eleven one-on-one semi-structured interviews and an onsite survey with the results obtained from an analysis of specific KPIs recorded in the Toyota Malawi Ltd Monthly Balanced Scorecard. This process was guided by a grounded theory approach that relied on a combination of open and axial coding techniques.

This research report revealed that Toyota Malawi Ltd achieved improvements in five of the six KPIs used by the evaluation method since commencing the integral coaching initiative.
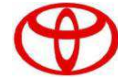
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1. INTRODUCTION

1.1 BACKGROUND TO THE RESEARCH

This section will provide the context of the research report by defining the key role-players and their interest in the field under study. It will highlight what economic and social imperatives led them to undertake the African Management Team Strategic Leadership through Coaching (AMT SLC) and the Malawi Regional Leadership Team Coaching and Circle and Leadership Roll-out (MRLTCCL) initiatives, and how the success of these initiatives should be measured.

1.1.1 TOYOTA TSUSHO AFRICA (TTAF)

Toyota Tsusho Africa (TTAF) is a wholly-owned subsidiary of Toyota Tsusho Corporation, originally founded as a trading and supply-chain specialist of the Toyota Group. Established in 2000, TTAF has evolved into a multi-business enterprise located to ensure optimal service and delivery to all Toyota customers. With its headquarters in Johannesburg, it provides key support to seven Toyota Tsusho Corporation acquired Distributers throughout Africa, including Toyota Malawi Ltd. It sells Toyota vehicles and spares to 23 African countries and has experienced phenomenal growth since 2000 growing from 12 to 1400 employees. (Bannon, 2008)

1.1.2 TOYOTA MALAWI LTD

Toyota Malawi Limited was established by Derek Friend in 1963 under the name Mobile Motors. Following steady growth through the early 1960's and 1970's as Malawi's only Toyota distributor, the firm expanded to include a dealership branch in Lilongwe. After changing its name to Toyota Malawi Limited in 1994, the firm undertook extensive upgrades to its facilities and corporate image and officially launched new operations in Blantyre and Lilongwe. The Toyota Tsusho Corporation of Japan acquired 100% ownership of Toyota Malawi in 2001, and is currently headed by Managing Director Rosemary Mkandawire.

1.2   THE RESEARCH PROBLEM AND PURPOSE OF THE RESEARCH REPORT

TTAF have begun implementing an Integral Coaching Initiative in its 12 strategic business units based in eight African countries, each with its own highly diverse culture. The decision to adopt the Integral Coaching Initiative was made by Hylton Bannon, head of TTAF Automotive Division, in response to the geographical and cultural challenges, and also the need for a sustainable competitive advantage.

The Integral Coaching Initiative consists of two separate, but mutually supporting, coaching initiatives, namely the:

a. Strategic Leadership through Coaching (SLC) Initiative for the General Managers of the strategic business units – Strategic Level.
b. Regional Leadership Team Coaching Circle and Leadership Roll-out Initiative for the senior management teams of the strategic business units – Regional Level.

The Integral Coaching Initiative has now reached the half-way mark, at both levels, and it was felt that a study was necessary to determine the impact of the Integral Coaching Initiative so far. The problem that this research report addresses is:

How to Measure the Impact of Integral Coaching on Toyota Malawi Ltd.

The purpose of this research is to design an evaluation model to measure the impact of integral coaching on Toyota Malawi Ltd. This was done to test the validity of the model in a stable economic and political environment. It is envisioned that this model will be used in future to measure the impact of the Integral Coaching Initiative on all the other strategic business units.

1.3   CONSTRAINTS ON THE RESEARCH

This research was confined to the practice of Integral Coaching as implemented at Toyota Malawi Ltd. Data gathering and analysis was accomplished using empirically sound methods and limited to:
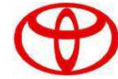
a. One-on-one semi-structured interviews – 11 out of 15 possible interviewees.
b. A survey of Toyota Malawi Ltd senior managers – 11 out of 15 possible respondents.
c. The Toyota Malawi Ltd Monthly Balanced Scorecard – 46 month period.

Both the one-on-one semi-structured interviews and survey were conducted at the respective Malawian dealerships during the period 06 – 08 October 2008 and restricted to those senior managers who had been involved in the Integral Coaching Initiative. No one-on-one interviews or survey were conducted before the start of the Integral Coaching Initiative, so none was available for analysis or comparison. The analysis of the Balanced Scorecard information was accomplished using an evaluation model designed by the author in conjunction with Hylton Bannon.

1.4 LAYOUT OF RESEARCH REPORT

This research report firstly introduces the reader to the generic field of coaching in order to create a context for a more detailed discussion of the Integral Coaching approach adopted by Toyota Africa.

Secondly, it explores the overarching field of Integral Coaching, which, by virtue of its inclusive nature embraces Strategic Executive Coaching and Strategic Leadership Coaching.

Thirdly, this research investigates trends in measuring the impact of coaching. This includes a focus on the bottom-line issues and the difficulties involved in the measurement of intangibles. Combining recent developments in measuring returns of coaching together with Toyota's Balanced Scorecard, this report will describe the model used by the author to measure the impact of integral coaching.

Fourthly, it details the research methodology used in the research and analysis phases.

Fifthly, this report publishes and discusses the results of the one-on-one semi-structured interviews, survey and Balanced Scorecard analysis. A total of six findings are listed and investigated in depth.

Sixthly, it makes recommendations for future study based on the findings of the research report.

This section highlighted TTAF's interest in the overall Integral Coaching Initiative as a response to its geographical and cultural challenges, as well as a future source of sustainable competitive advantage. Based on socio-economic conditions, the author and relevant stakeholders determined that a research report measuring the success of the Integral Coaching Initiative at Toyota Malawi Ltd would produce the most beneficial results.

2. DEFINITION OF THE PROBLEM

2.1 INTRODUCTION

Despite the current global financial and economic turmoil and corresponding downward spiral in vehicle sales worldwide, Toyota South Africa continues to outperform the competition and set new records. In March 2008 Toyota set "a new all time South African motor industry record for export deliveries with 11 207 vehicles sent on their way to some 40 international destinations – 49% of all vehicle exports. This figure came close to the company's local sales of 12 408 units for the month. Toyota's performance boosted total vehicle exports for the month to a new benchmark of 22 888 units." (Gondalia, 2008:01)

Recent figures confirmed Toyota's remarkable performance in the local market when they "achieved a new all time sales record for the South African Motor Industry in October with 14714 vehicles sold during the month." (Ananzimotoring, 2008:01) Outstanding performance has seen Toyota South Africa increase their market share from 23.8% in March 2008 to a 26.4% share of the total domestic and export sales. (Gondalia, 2008 & Ananzimotoring, 2008)

Bannon (2008:01) comments that "we started searching for innovative ways to improve productivity and staff satisfaction. The company was already successful; what we needed was a sustainable competitive edge. We couldn't change our product. What we needed to change was how we lead our people. You can be efficient with processes, but not with people. People need to be fulfilled."

In an effort to meet this challenge and the challenge of coordinating and communicating with its 12 strategic business units, Bannon and the senior managers of the 12 business units collectively known as the African Management Team (AMT), under took the Strategic Leadership through Coaching (SLC) Initiative. This was hosted by the Centre for Coaching, situated at the University of Cape Town's Graduate School of Business (GSB), with the aim of improving their Strategic Leadership competencies. The SLC Initiative was, in turn, supported by the Regional Leadership Training through Coaching Circles and Leadership Roll-out (RLTCCLR) Initiative, also facilitated by the Centre for Coaching. This was aimed

at the senior management teams of the regional strategic business units. The combined implementation of these initiatives will be referred to as the "Integral Coaching Initiative."

Having reached the halfway mark of the coaching journey, it was felt that a study should be undertaken to determine the impact of the Integral Coaching Initiative on the strategic business units to date. After extensive discussion among the stakeholders it was determined that a detailed study of a particular individual business unit would provide a better analysis. This decision was made in the light of the extreme variations in the economies of other participating business units – especially Zimbabwe – that would have skewed the data.

Toyota Malawi Ltd was selected based upon Malawi's consistent political, economic and social stability. With an average 2% GDP per capita growth rate and 3% population growth, Malawi's stable environment would be most likely to reveal the results of the Integral Coaching Initiative. The problem that this research report addresses is:

How to Measure the Impact of Integral Coaching on Toyota Malawi Ltd.

2.2   STRATEGIC LEADERSHIP THROUGH COACHING (SLC)

The three year coaching 'journey' began on 27 November 2006, and is scheduled to run until 2009. The SLC initiative comprises of ten contact sessions separated by breaks of approximately three months. The participants consist of all the strategic business unit heads based in Africa, and the program is led by Janine Everson from the Centre for Coaching. The stated purpose of the Initiative is:

"To grow the ability of leaders to manage strategic change in their organisations in a coherent way."

The coaching journey progresses through four stages (see figure 1) that focus on:

   a.   Self and Team Building.
   b.   Self and Team Doing.

c. Self and Team Being.

d. Embedded knowledge.

The four-stage journey comprises of nine core modules that include:

1. Strategic leadership through coaching.

2. Leadership journey launch.

3. Models, feedback, team storming.

4. Requests and promises, team feedback.

5. Courageous conversations.

6. Change management.

7. Live case study Zambia.

8. Change Management.

9. Cross Cultural Leadership.
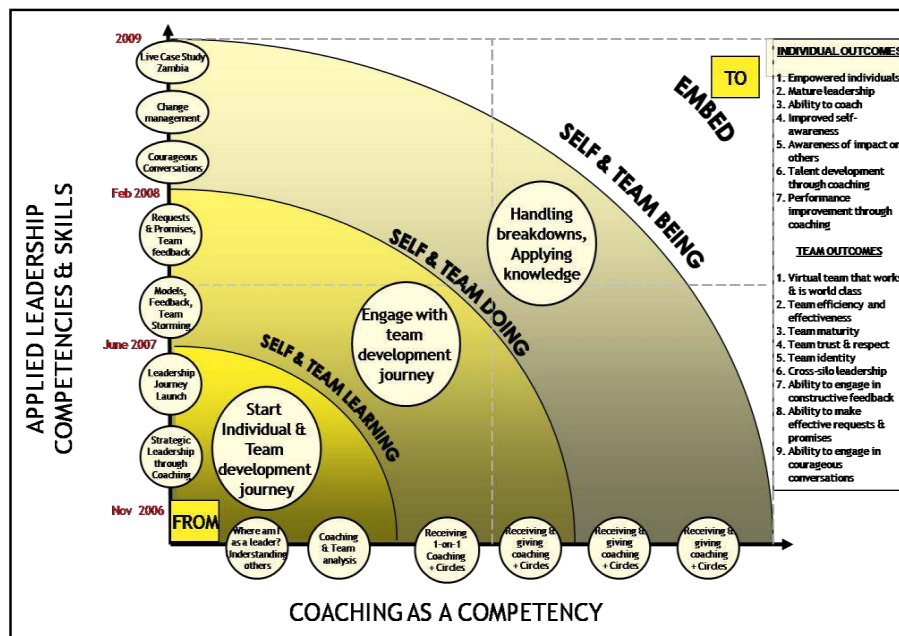
Figure 1: Strategic Leadership through Coaching (SLC) Roll-out

The anticipated individual outcomes are:

a. You will have a clear view of the strengths, obstacles and barriers to your own leadership style.
b. You will have developed a way of tackling these barriers through class interaction and one-on-one coaching.
c. You will have learned and practiced a powerful process for working with the people you lead.
d. You will better be able to integrate the multiple skills, qualities and models needed to lead into the crafting of an effective leadership 'voice.'
e. You will experience greater fulfilment in the leadership roles you play.

To date, participants have completed six of the nine modules and should finish at the end of 2009.

2.3 MALAWI REGIONAL LEADERSHIP TRAINING THROUGH COACHING CIRCLES AND LEADERSHIP

The six-module course began on 22 April 2008 and is scheduled to run to mid-June 2009. The course is designed and project managed by the Centre for Coaching and involves the senior management teams of both the Blantyre and Lilongwe dealerships who make up Toyota Malawi Ltd. The six-modules are graphically represented in figure 2.

Based on a Needs Analysis undertaken by the Centre for Coaching the course was designed specifically to develop senior management's:

a. Ability to hold a coaching conversation and to lead using a coaching approach.
b. Ability to participate in, and receive the benefits of, coaching circles.
c. Ability to give and receive feedback in a constructive way.
d. Ability to engage in difficult conversations in a constructive way – constructive conflict.
e. Ability to make effective 'requests' and 'promises' and to understand the role 'offers has to play.
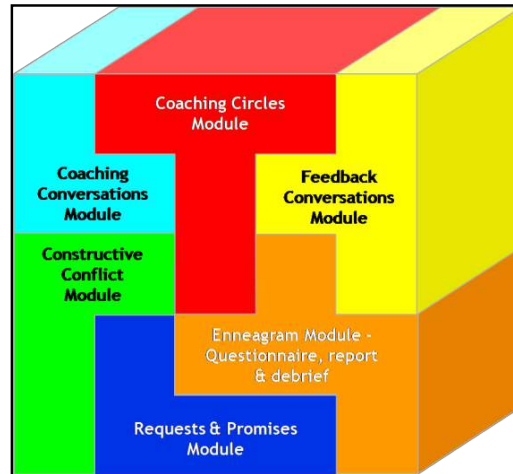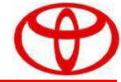
Figure 2: Regional Leadership Training through Coaching Circles and Leadership Roll-out

The participants have completed four of the six modules.

3.   LITERATURE REVIEW

3.1   COACHING

3.1.1   INTRODUCTION

The findings of a survey conducted in February 2001 by the 'Quo Group' of 25 blue-chip organisations showed "an across-the-board consensus that coaching was one of the most powerful strategic and tactical weapons open to business today because of its ability to enhance areas of executive expertise that were already at a high level, and to establish skills that were previously absent or weak" (O'Shaughnessy, 2001:195)

Goldsmith, Lyons and Freas (2000: xi) attribute the rapid growth in coaching as a vocation to our search "for a qualified person to help us develop and improve." Meyer (2007:02) supports this idea and goes further, listing the following reasons for coaching being so popular today:

    a. "It is an excellent tool for management and leadership development.
    b. It assists with career development.
    c. It promotes teamwork and sound working relationships.
    d. It assists with the implementation of performance management.
    e. It contributes to job satisfaction.
    f. It builds competence and capacity in an organisation.
    g. It helps a company achieve its business objectives."

From a training and performance perspective, Crane (2001:22) claims that "what happens after training, if no coaching is provided, is that old behaviours quickly resurface and sustained performance improvements never materialise. Without coaching, the opportunity that training provides for improving behaviour – and the improved results that could have followed - is lost."

Coe, Zehnder and Kinlaw (2008:01) put forward a compelling argument for the recent emergence of coaching as a mainstream management skill by claiming that "sustained

superior performance occurs, most of all, because people are committed to do their level best all the time. Coaching is a proven strategy for building such commitment."

The American Management Association (AMA) commissioned the Institute for Corporate Productivity to conduct a global survey of coaching practices in today's companies in order to gain a better understanding of both the 'promise' and 'perils' of coaching. In addition, the survey attempted to discern the direction that coaching would take in the future. The two samples of the survey analysed:

a. A larger sample of North American organisations.
b. A smaller sample of organisations located in Europe and the Middle East.

The study included over one thousand executives and focused on their use of coaching in order to determine, amongst others; its association with higher performance, coaching's popularity, correlation between executive performance, and the methodology used to choose a coach. (American Management Association, 2008)

The most pertinent findings of the analysis were:

a. "<u>Finding Three</u>: *Coaching is associated with higher performance*. Correlations do not necessarily imply causation, but respondents from organizations that use coaching more than in the past are also more likely to report two kinds of advantages:
   i. They're more likely to report that their organizations have higher levels of success in the area of coaching.
   ii. They're more likely to say that their organizations are performing well in the market, as determined by self-reports in the combined areas of revenue growth, market share, profitability, and customer satisfaction.
b. <u>Finding Four</u>: *Coaching is primarily aimed at boosting individual performance*.
c. <u>Finding Six</u>: *Evaluating coaching's performance may help boost success rates.*
d. <u>Finding Nine</u>: *External training seems to work best*. Externally based methods of providing training for coaching are most strongly correlated with overall coaching success, though they are less often used." (American Management Association, 2008: vii)

The team of the Institute for Corporate Productivity that undertook the analysis believes that "coaching will continue to grow as an important leadership development practice. We expect that coaching will become one of the keys to developing and retaining scarce talent in the future, and we think companies that learn to leverage it well will have a significant competitive advantage in the global marketplace." (American Management Association, 2008: vii) But what, exactly, *is* coaching?

3.1.2   WHAT IS COACHING?

Starr (2003:05) notes that "the most recognised forms of coaching come from the sporting world. Having evolved over thousands of years, the figure of a sports coach working alongside top athletes is accepted without question. Coaching is proven to work. It improves the results an individual generates. By applying principles of observation and feedback, sports coaches can make the difference between a world-beater and an 'also-ran'".

She continues: "the same principle applies in business. Coaches work alongside individuals to help improve their performance at work, regardless of whether or not they could do that work themselves. What a coach can do, is help someone see opportunities for improvement, as well as practical ways forward." (Starr, 2003:05)

While the term "coaching" has been used generically to include a variety of coaching-type initiatives, from professional sport to math tutoring, the field of coaching has developed to include several disciplines, each uniquely focused on the achievement of specific goals.

Hargrove argues that coaching "involves helping people in groups transform themselves, their communities, and their world. It involves challenging and supporting people in achieving higher levels of performance, while allowing them to bring out the best in themselves and those around them. It means going through a deep learning process that results in embodying new skills and capabilities. In the simplest terms, it involves expanding people's capacity to take effective action." (Hargrove, 1995:15)

From a manager's perspective Buys (2007:34) believes that coaching "is a toolbox for assisting our team members to improve their performance and achieve their goals". He further argues that coaching therefore takes place in three broad areas:

a. Helping our team members to solve a problem.

b. Providing them with certain skills.

c. Assisting them in their overall development in their current and future position. (Buys, 2007)

Essentially, coaching helps "to close the gap between where our team members want or need to be and where they are now. This is done by:

a. Collaboratively assessing their performance.

b. Discussing and reaching a shared understanding of their present situation.

c. Defining achievable goals.

d. Exploring new possibilities and initiatives.

e. Supporting them in their plan of action." (Buys, 2007:34)

While many organisations view coaching as a 'quick-fix' solution to their current strategic leadership challenges, the reality is quite different. "Coaching is a developmental tool, not a magic wand or an instant makeover. In many cases, coaching interventions would be unnecessary if organisations set clear performance expectations in the recruitment process, paid closer attention to organisational fit in hiring and had the courage to provide truth-tellers to facilitate the initial leadership orientation and ongoing performance feedback process." (Kaufman, 2006: 291)

Kaufman (2006:291) summarises the realities of coaching most aptly when she argues that "the reality of coaching is that it requires a substantial investment of time and resources. Change doesn't occur overnight!"

3.1.3   ELEMENTS OF COACHING

Research into the field of coaching reveals many different definitions, ideas and contentions among recognised authors. From this one is able to clearly identify certain recurring themes, similarities and patterns that coalesce to form the elements of coaching.

Buys (2007:35) identifies three key elements that make up coaching. Firstly, he contends that coaching "*is essentially a conversation* within a productive, results orientated context. Whilst it is a conversation, it is not a casual conversation, but is a conversation that should always be

conducted in the context of making progress against some predetermined goals." In the course of the dialogue the manager assists the team member to access knowledge that they already share between them. "The team member may never have asked himself or herself the question, but he or she normally has the answers. A manager coach assists, supports and encourages individuals to find the answers. Coaching is more about asking the right questions than providing answers." (Buys, 2007:35)

Secondly, he argues that "*coaching is also about learning*. It's about helping team members access knowledge they already have, or helping them find a way to access it. Manager coaches use various skills such as listening and asking questions, and, in the process, they help their team members to become self-diagnosing, self correcting and self-generating in that the team members learn how to identify the issue, correct their behaviour themselves and generate their own questions and answers." (Buys, 2007:36)

Lastly, Buys (2007:36) believes that "*coaching is about change and transformation*. Some people can decide to make a change in their life and move directly to their goal in the quickest possible manner, with no deviation or hesitation. Others always seem to come up against obstacles and internal blocks. A manger coach observes these habits, opens up new possibilities and supports the team member in the sometimes difficult process of change."

Having discussed coaching from a broad perspective we now focus our attention on Integral Coaching used specifically during the AMT Strategic Leadership through Coaching, and the Malawi Regional Leadership Team Coaching initiatives.

3.2 INTEGRAL COACHING

3.2.1 INTRODUCTION

Sievers (2008:01) explains that Integral Coaching is "a discipline that enables clients to become more aware of their current approach to situations, to see new possibilities and then to build sustainable new competencies to achieve outcomes that deeply matter to them. The coach and the client are dedicated to the unique developmental needs of the client."

What separates integral coaching from other forms is its all-encompassing approach to the coaching process. Wilber (2008:01) describes the term 'integral' as "integrative, inclusive, comprehensive, balanced; the idea is to apply this integral orientation to the various fields of human knowledge and endeavours. This integral approach is important [because] it deeply alters our conceptions of psychology and the human mind; of anthropology and human history; of literature and human meaning; of philosophy and the quest for truth."

Parlee (2008) supports this, and adds that integral coaching is different from other forms of coaching because:

a. It avoids characterising people to a single type. Instead, it understands that people are a combination of different values, personalities and social strategies.
b. It seeks to understand individuals using a wide range of assessment tools to construct a more accurate description of their strengths and weaknesses, desires, dreams and fears.
c. It embraces a larger set of 'change technologies' with which to understand the cognitive, physical, emotional and spiritual dimensions of human existence.

3.2.2 WHAT IS INTEGRAL COACHING?

Adopting the practice of inclusiveness and balance, Flaherty and Handelsman (2004:02) define integral coaching as "what arrives when two people develop a professional relationship that is grounded in mutual trust and respect, directed toward a set of clear outcomes, guided by presence, and informed by broad models about what it means to be a human being. It is a methodology. It is an integration project. It is a moment when you feel deeply connected to yourself and others, with a deep acceptance of everything, *and* you take

practical steps to move forward in life. It is both simpler and more complex than it sounds. And, at heart, Integral Coaching is not just an "it" we can see and hear from the outside but also the "I" that lives in our thoughts and emotions and the "we" that connects us to each other in language and culture."

3.2.3   PHILOSOPHICAL FOUNDATIONS OF INTEGRAL COACHING

Flaherty and Handelsman (2004) believe that Integral Coaching was developed and exists today, like other social phenomena, because of the historical and cultural circumstances that gave birth to it. The philosophy of Integral Coaching is founded upon six major theories and strengthened through twenty years of application in individuals and organisations.

Pragmatism

"The philosophical tradition most focused on resolving practical difficulties and learning what works through experimentation." (New Ventures West, 2008:03) The coaching process is thus always designed to have a practical impact in the day-to-day life of the client.

Ontology

"A branch of philosophy that studies being. Humans are a unique kind of being. Philosophers have been onto this for a long time and have been trying to describe the difference. We are meaning-making beings who are at the same time constrained by social, historic, linguistic and biological forces. Integral coaches must be well grounded here so that our work fits the genuine human condition. We must take into account the deep call we all feel for authenticity and the courageous path necessary for its fulfilment." (New Ventures West, 2008:01)

Linguistics

New Ventures West describes the power of linguistics by stating that "the horizons of what is possible for us are bound by the way we speak and listen to ourselves and others. Working at a fundamental level with language allows clients to initiate profound change in identity, meaning, and relationship. By becoming more competent speakers and listeners, clients resolve nearly all of their everyday difficulties, especially those associated with producing

results and generating innovation. Integral coaches have learned through their own experience the power of language and invite their clients to share in its mystery and wonder." (New Ventures West, 2008:01)

Biology

Integral coaching strives to find harmony with how the body works and as such is based on what has been learned by somatic thinkers, cognitive scientists and biologists. "Only when a pattern of response has been integrated into the body has true long-lasting change taken root. Then someone has been truly coached." (New Ventures West, 2008:01)

Adult Development Theory

Adults, by nature of their age and experience learn in different ways than younger people do. With strongly defined views, habits, beliefs, relationships and ambitions, adults develop through a series of distinct and identifiable stages. "Coaches of grown-ups must understand the landscape of adult development so that they have a contextual frame for what's happening in a client's life." (New Ventures West, 2008:01)

Integral Theory

Ken Wilber's research on integral theory advocates that "we include everything in human life, leaving out nothing. The more fully we can understand the forces constructing and coursing through a human life, the more powerful our coaching can be. (New Ventures West, 2008:01)

3.2.4   WHAT CIRCUMSTANCES CALL FOR INTEGRAL COACHING?

Flaherty and Handelsman (2004) argue that Integral Coaching is a "creative response" to the following circumstances:

a. <u>Global transition and disruption</u>. Technology alone cannot resolve the disruption caused in people's lives as a consequence of rapid social, technological and environmental change. "It calls for competencies like new ways of speaking and

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listening, as well as the cognitive capacity to integrate multiple perspectives. These are two of the intended outcomes of Integral Coaching." (Flaherty & Handelsman, 2004:14)

b. <u>The challenge of sustaining organisational transformation and the call for wise and compassionate leadership</u>.   While organisations today value a structured methodology that focuses on clear outcomes, their executive leaders value a customised coaching relationship built on mutual trust and respect.

c. <u>An unprecedented constellation of wisdom and knowledge.. and the need to take it into action</u>.   Integral Coaching is seen as the most adept vehicle with which to gather an unprecedented amount of wisdom from a vast array of sources and put it into practice.

3.2.5   OUTCOMES OF INTEGRAL COACHING

Flaherty (2005:03) explains that "one of the most powerful ways of understanding coaching is from the end. If we know what we are intending to accomplish, we can correct ourselves as we go along and be able to evaluate our success at the end." Flaherty (New Ventures West, 2008:02) further argues that "while outcomes are specific to each client, all outcomes in Integral Coaching aim toward three broad ends:

a.   Long-term Excellent Performance.
b.   Self-correction.
c.   Self-generation."

3.2.5.1 LONG-TERM EXCELLENT PERFORMANCE
"This means that the client meets the high objective standards of the discipline in which coaching occurs. Standards are objective when they can be observed by any competent person." (Flaherty, 2005:03) Flaherty and Handelsman (2004) point out that long-term excellent performance has two dimensions:

a. <u>Competence</u>. Often confused with a goal - something you achieve (such as a promotion) – competence is an enduring capacity. Flaherty and Handelsman (2004:03) explain that "it helps us achieve particular goals *and* stays with us afterwards. For example, speaking in a way that moves people to action can contribute to a promotion. It can often open up new possibilities for our friendships, family life and health."

b. <u>Fulfilment</u>. Flaherty and Handelsman (2004:03) explain further that fulfilment is "a deeply felt experience that what we are doing, how we are living, and who we are becoming are meaningful and worthwhile. We are fulfilled when we are held deeply by life, when what once burdened us has lifted. From an individual perspective, the value of fulfilment is self-evident. For organisations, it makes a difference when people are fulfilled because they stay longer and generate better results."

3.2.5.2 SELF-CORRECTION

When clients are well coached, they are able to observe "when they are performing well and when they are not, and will make any necessary adjustments independently of the coach." (Flaherty, 2005:04)

3.2.5.3 SELF-GENERATION

Flaherty and Handelsman (2004:03) believe that clients are self-generating when they have "the ability to continuously renew themselves by drawing upon resources from without and within. When clients are self-generating, the development of competence becomes not a final end state but a continuous process. These competencies are essential when our life takes a new direction or when we are thwarted in our intentions"

3.2.6 THE 'BOTTOM LINE' OF INTEGRAL COACHING

Sievers (2008:01) argues that Integral Coaching possesses specific features that make it a "powerful medium for improvements in effectiveness as well as growth and development."

Individuals can extract much benefit from these features and use them at any time in their careers. Such features include:

    a. Including everything and everyone.
    b. Creative and structured design.
    c. Presence and mindfulness.
    d. Assessments based on what will be useful for the individual now.
    e. Blending inquiry and advocacy within the setting of relationship.
    f. Unlocking value in people. (Sievers, 2008)

Sievers (2008:01) believes that a "myopic view of the bottom line, ignored the true value to be unlocked to ensure the success of organisations. That is, the unlimited potential that resides within all human beings. Integral Coaching builds sustainable results for individuals and their organisations alike."

Integral Coaching's very nature of being an integrative, inclusive, comprehensive and balanced approach is such that it achieves the same outcomes of many other more specialised fields of coaching. Wilber asserts that "the more fully we can understand the forces constructing and coursing through a human life, the more powerful our coaching can be. Coaching fails when we leave parts out, and integral theory provides a framework that makes this less likely." (New Ventures West, 2008:02) To this extent the outcomes of Integral Coaching are in essence the same as those produced by Strategic Coaching, Strategic Executive Coaching and Strategic Leadership Coaching. We review each of these essential coaching methods.

3.3 STRATEGIC EXECUTIVE COACHING (SEC)

3.3.1 INTRODUCTION

Morgan, Harkins and Goldsmith (2005:06) argue that strategic coaching takes place when "coaches work at the most senior levels, helping top executives set the tone for the long-term direction of the organisation. Some coaches work primarily with the CEO, others with the senior team. It is a commitment to guiding the organisation's quest for its own future path, rather than imposing a belief or vision of their own."

Within the corporate sector the benefits of coaching have recently received significant attention from senior managers and executives as a means to empower them to become better business leaders. As such, many businesses view executive coaching as a source of competitive advantage.

Kilburg, (2000:65) defines executive coaching as "a helping relationship formed between a client who has managerial authority and responsibility in an organisation and a consultant who uses a wide variety of behavioural techniques and methods to assist the client to achieve a mutually defined set of goals." Against this background of managerial authority Kilburg (1996:135) elaborates still further to conclude that such goals are generally for the purpose of "improving [the client's] professional performance and personal satisfaction and, consequently, to improve the effectiveness of the client's organisation."

Meyer (2007:05) comments that among the benefits to companies that provided coaching to executives were improvements in:

BENEFIT TO COMPANIES	IMPROVEMENTS
Productivity	53% of executives reported
Quality	48%
Organisational strength	48%
Customer service	39%
Reducing customer complaints	34%
Retaining executives who received coaching	32%

Cost reductions	23%
Bottom-line profitability	22%

Table 1: The Benefits of Coaching to Executives

While Kilburg's definition focuses chiefly on the outcomes for senior management, it is imperative to recognise what effect this has on those in less senior positions and the organisation as a whole. "The foundation stones for executive coaching – quality integrated thinking, confidentiality, trust – are equally important to all its' people if an organisation is to perform well financially." (Blackman-Sheppard, 2004:05)

Kaufman elaborates on Kilburg's goals and outlines specific outcomes required from the coaching process. "Among the desired outcomes of coaching are actionable recommendations that result in a shift in perspective, new learning and altered behaviours, such as increased ability to manage key relationships more effectively, demonstrate style flexibility that leads to more effective communication and a more effective approach to problem-solving and conflict resolution." (Kaufman, 2006:288)

Goldsmith, Lyons and Freas (2000:28) argue that "modern effective executive coaching has to be strategic and individualised. A balance has to be struck between the organisation and the individuals." On the one hand, coaching must be specifically customised to meet the needs of the individual, and on the other hand, organisationally customised to meet the strategy and vision of the organisation. (Goldsmith, Lyons & Freas, 2008)

The apparent paradox between satisfying the individual's needs and those of the results-driven organisation is explained by Goldsmith, Lyons and Freas (2000: 28) who assert that "Strategic Executive Coaching (SEC) sets out to align the development of each executive with the business challenges in the total organisational context. This ensures that executives develop their leadership capability to deliver the business results the organisation wants."

Kilburg (2000:11) cautions that this process is challenging at times because it "involves the complexity and predictability of human behaviour in individuals, dyads, groups, and organisations of various size. Failure often remains unanticipated in the initial blush of optimism that launches any change management project."

Goldman, Lyons and Freas argue whatever the challenges strategic leadership coaching faces "the prime objective of SEC is always to improve the business results of a company. [Strategic Leadership Coaching] must, at all times, be rooted in the business strategies of individual client organisation, justifying itself by delivering real and tangible business results." (2000:40)

3.3.2   THE BENEFITS OF STRATEGIC EXECUTIVE COACHING

Goldsmith, Lyons and Freas (2000: 28) maintain that the "benefits of SEC flow directly from its focus on achieving real business results. This is in contrast to other approaches that might concentrate on solving a specific problem with an individual or within an organisation." They further remark that "SEC has been applied in a number of contexts, and the bottom-line benefits frequently recur." Benefits include:

a. Improved customer loyalty.
b. Development of future leaders.
c. Retention of high-impact people.
d. Successful change management. (Goldsmith, Lyons & Freas, 2000)

We now explore each benefit in greater detail.

3.3.2.1 IMPROVING CUSTOMER LOYALTY

White (2008:30) states that "the more satisfied customers are, the less likely they will be to take their business elsewhere. In fact, more and more customers are basing their investment choices on a provider's 'customer-satisfaction performance'. Customer satisfaction is a strategic competitive advantage. Today there are many references to the "total customer experience" or TCE. It comes as no surprise that the Siemens Automation and Drives (A&D) support organization sees customer satisfaction as one of its main goals."

A key argument in favour of SEC is aptly summarised by Goldsmith, Lyons and Freas (2000:29) when they argue that "SEC helps executives become more effective; effective

executives create more satisfied employees; satisfied employees create more satisfied customers; satisfied customers create higher profits."

A research study published in the Harvard Business Review (January – February, 1998) and conducted by Rucci, Kirn, and Quinn detailed an eight-hundred-store study by Sears Roebuck, and Co., in which Sears' executives concluded that:

> "Employees' attitudes about their workload, treatment by bosses, and eight other matters have a measurable effect on customer satisfaction and revenue. If employee attitudes on ten essential counts improve by 5 percent, Sears found customer satisfaction will jump 1.3 percent, driving a 0.5 percentage-point rise in revenue. If we knew nothing about a store except that employee attitude had improved 5 percent, we could predict that its revenue would rise 0.5 percent above what it otherwise would have been." (Goldsmith, Lyons & Freas, 2000: 29)

Bacon (2004:01) supports this argument and asserts that "customers don't believe what you tell them. They believe what you do. Behaviour is genuine. It is the purest form of the expression of your intent, your priorities, and your feelings .. the truth about you will always emerge in how you act. You are how you behave."

In terms of reported client satisfaction Bacon's statement is backed up by Goldsmith, Lyons and Freas (2000: 30) who comment: "This links well with our experience in developing future leaders. In one Fortune 500 company we found that leaders who effectively coach their account managers have more satisfied client accounts than those managers who do not effectively coach. SEC leads to more effective leaders and coaches, who create employee satisfaction, competence, and customer loyalty necessary to drive profits."

3.3.2.2 DEVELOPING FUTURE LEADERS

Morgan, Harkins and Goldsmith (2005:122) consider that "coaching is critical to the success of organisations. But organisations do not win by inviting a small army of external coaches to infiltrate their ranks or by ceding the coaching function to the external consultant." This view is shared by Goldsmith, Lyons and Freas (2000:30) who maintain that "Executive coaching

can help build bench strength within the organisation by providing and developing executives with such vital coaching skills as giving and receiving feedback; varying their leadership style to meet the needs of their direct reports; and demonstrating that it is acceptable to ask for help."

Interestingly, Rock and Donde (2008:11) claim that research has shown that "external coaching had a strong impact on the leadership skills and effectiveness of the people coached, and a significantly smaller, though noticeable, impact on the people the next level down." Morgan, Harkins and Goldsmith (2005:122) believe, however, that "it is the job of the leader to build coaching capability in the DNA of the organisation. When leaders coach leaders .. learning and teaching are continuously exchanged in a virtuous teaching cycle."

3.3.2.3 RETAINING HIGH-IMPACT PEOPLE

An emerging competitive strategy used by many organisations today focuses on retaining highly skilled and talented people. Not only are there obvious benefits in retaining these core competencies, but also a substantial cost saving. When an employee resigns they leave a substantial gap in the work place that needs to be filled. Besides a direct loss in employee contribution, the organisation suffers a loss in its ability to deliver the necessary business results. (Goldsmith, Lyons & Freas, 2000)

From a purely statistical perspective, Goldsmith, Lyons and Freas (2000:30) further argue that "during the first three months on the job, a new hire can accomplish only sixty percent as much as an experienced worker can accomplish in the same amount of time. Losing an exempt employee costs an organisation, on average, between one and two times that person's annual salary and benefits."

According to Business Issues Research Group, 1999, one Fortune 500 organisation recently calculated the opportunity costs of using management time in interviewing and administration of new employees, and also the time lag before the incumbent is up to speed as well in excess of $500 million per annum. (Goldsmith, Lyons & Freas, 2000)

3.4 STRATEGIC LEADERSHIP COACHING

3.4.1 INTRODUCTION

Richardson (1994:27) believes that "no single subject has so dominated the attention of managers, consultants and management theorists as the subject of corporate strategy. There is a great deal of debate about which strategies work: business is, after all, complicated and uncertain."

To develop strategic leadership in executives organisations use several methods, including targeted recruitment and selection, focused education and training programs, planned-on-the-job assignments and, more recently coaching initiatives. (Vicere, 1992)

It is in this context of complexity and uncertainty that organisations specifically attempt to develop leadership in its members to ensure long-term business success. Vicere (1992: 15) supports this view, and argues that "in a time of reorganisation, revolution and change, strategic leadership is essential to the competitiveness and development of an organisation. The imperative for executive development, then, is to cultivate strategic leadership."

Morgan, Harkins & Goldsmith (2005:30) support the contention that coaching is an appropriate management approach to cultivate organisational leadership, and claim that "coaches work to instil a capability in the leader or leadership team to bring the organisation to another level of effectiveness. In some cases, this means helping the leader become a coach himself or herself."

Most vexing to the body of strategic leadership study is the inability to define its exact nature. While researchers and theorists continue to debate its nature, they tend to agree that it encompass a large variety of competencies. Richardson (1994:39) summarises this popular notion by arguing that "the modern environment demands organisations which are led by strategists who have the necessary knowledge, skills and attitudes to facilitate an 'across all leadership fronts' approach to their job." Nicolls (1994:21) supports this noting that "the common thread uniting all these developments is that they focus attention on those activities which are vital to the fundamental well-being of the organisation."

Against this background of organisational well-being Goldsmith, Lyons and Freas (2000:10) argue that "strategic coaching gets people, teams, and organisations from where they are today to where they want to be tomorrow. The leader is committed to ensuring the existence and maintenance of the coaching process and its alignment with business results."
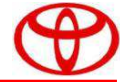
3.4.2 THE STRATEGIC COACHING MODEL

The practice of executive coaching may be understandably confusing to the outside observer because of its multifaceted conglomeration of 'worlds' that extend beyond the realities of the present. Goldsmith, Lyons and Freas (2000:04) argue that "one describes the executive's career path that stretches beyond today well into the past and future. Any modern career is set within a world of work in which the ground rules are in a state of flux. Central to this, we find the immediate present, the world of today, populated by colleagues in various teams, managers, direct reports, associates, suppliers and customers."

They further describe this configuration of relationships to include "government, trade unions, banks, shareholders and stock markets. Permeating this is the competitive or purposeful world of the organisation in which the executive works." They go on to refer to the 'world beyond the boundary.' "This is the non-business, non-work, social, personal family world." (Goldsmith, Lyons & Freas, 2000:04) A good coach is one who can lead a conversation with the executive that effectively marries these worlds in a structured purposeful manner.

3.4.2.1 A STRUCTURED DIALOGUE OF EMERGING PURPOSE

As an emerging management practice coaching conversations need to take place within a structured framework directed towards a specific purpose. Conversation for conversation's sake is, after all meaningless and wasteful. (Goldsmith, Lyons & Freas, 2000:05) caution that "good coaching is hard to do. Perhaps the greatest challenge is to engage the executive in a dialogue of emerging purpose. Coaching is potentially both high-impact and high-risk. Dire consequences can result from setting off in the wrong direction – disappointing to both the executive and the business."

They define two key insights into good coaching. Firstly, the coaching conversation must always take place against a broad background of experiences that build and define the context. They add that "quite a lot of work may have to be undertaken in the collection, validation, and analysis of information before real coaching can begin. Information that should be taken into account includes facts about "the markets, technology, or political environment in which the executive is working." (Goldsmith, Lyons & Freas, 2000:07)

Secondly, insight needs to be gained beyond executive coaching. Good coaching seeks to draw parallels between the coachee's behaviour and that of purposeful organisational change. Buy-in into the practice of relating team-behaviour to purposeful organisational change becomes strategic in nature when the entire organisation becomes engaged. (Goldsmith, Lyons & Freas, 2000)

3.4.2.1 TRANSFORMING PEOPLE

While coaching has typically been viewed by many executives to be an individual-focused initiative, team coaching has recently emerged as a practice that helps to motivate and build teams. Goldsmith, Lyons and Freas (2000:09) believe that "in times of major organisational change, coaching often provides the necessary impetus for building and motivating teams. Team coaching helps establish and then build a collection of individuals into a fully functioning business network."
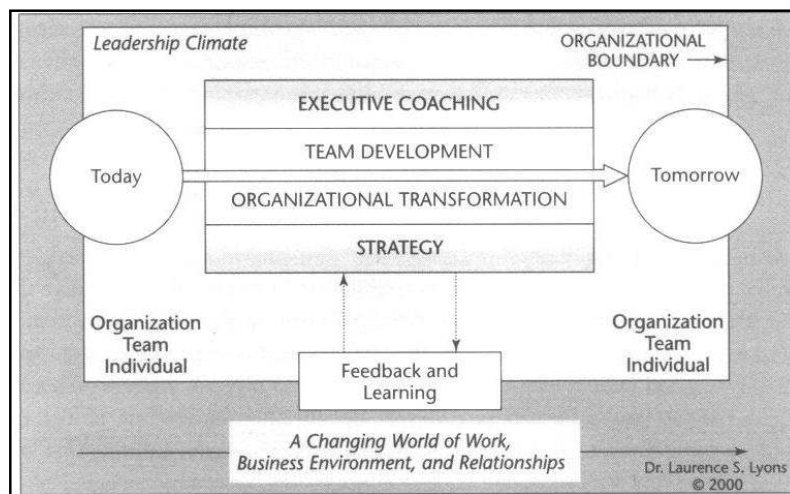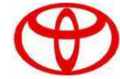
Figure 3: Strategic Coaching Model

Goldsmith, Lyons and Freas' Strategic coaching Model is best graphically represented in figure 3 above. They summarise their arguments succinctly by stating that "in all of the cases – for individuals, teams and boards – coaching offers a structured dialogue of emerging purpose, directed toward success. With the right conditions in place coaching is organisational transformation; coaching is team development; coaching is strategy in motion." (Goldsmith, Lyons & Freas, 2000:10)

Having examined the overarching theory and philosophy behind Integral Coaching and the various coaching disciplines that form part of the integral approach, we investigate how the bottom-line impact of these initiatives can be measured.

4. RESEARCH METHODOLOGY

4.1 MEASURING THE IMPACT OF COACHING

4.1.1 INTRODUCTION

As in all forms of competition, the concept of incremental advantage between two or more equally-matched firms places pressure on all contestants to perform at their very best. This pressure is felt most strongly by the firm's executive management. O'Shaunghnessy (2001: 194) argues that "the higher up the skill hierarchy one goes, the more important marginal improvements in performance becomes." He further argues that "incrementally improved performance by one organisation over its rivals does not stem from corporate mechanisations by the entity that is the organisation, but by inspired leadership, innovation, being headed by senior executives – and indeed, any other executives with inspiration powering them ahead in their careers."(O'Shaunghnessy, 2001:195)

From a purely commercial perspective, the chief concern of corporate leaders is their responsibility to the shareholders to maximise the business' value. Daily decisions typically seek to improve profitability; cut costs, chase margins and maximise on their competitive advantage. Goldsmith, Lyons and Freas (2000:27) argue that "executive coaching can yield quantifiable, positive output: improved business performance and increased competitive advantage. The rapid growth of executive coaching may reflect its bottom-line benefits. One of the biggest of which is that it is delivered on the job in real time, so it can be tailored to the executive's individual needs."

Meyer (2007:05) claims that "coaching impacts not only on the person being coached, but also on the employees in the company who are being coached by that individual." He cites a research report by Whitworth & Shook (2003) from Case Western Reserve University's Weatherhead School of Management that "shows the impact of coaching-like training can last seven years. Manchester Inc recently released the results of a study that quantifies the business impact of external executive coaching. The study included 100 executives, mostly from Fortune 1000 companies. Those companies that provided coaching to their executives realised improvements in *productivity*, *quality*, *organisational strength*, *customer service* and

shareholder value. They received fewer customer complaints and were more likely to *retain executives* who had been coached. In addition, a company's investment in providing coaching to its executives realised an average return on investment (ROI) of almost six times the cost of coaching." (Meyer, 2007:05)

From a South African perspective Meyer believes that significant results can be obtained from coaching. "If properly implemented, [coaching] can yield significant benefits for South African organisations. Measuring ROI in coaching is and will increasingly become an imperative in organisations and coaching firms pursuing the highest standards of accountability." (Meyer, 2007:01)

Skiffington and Zeus share this sentiment and comment that coaching's empirical basis is strengthening. "There is still an obvious need for further, methodologically sound studies that not only evaluate the effectiveness of coaching but examine which elements of the coaching process are critical for a successful outcome." (Skiffington & Zeus, 2003:05)

In a Harvard Business Review, Sherman and Freas (2004: 84) however, portray a far more sceptical outlook regarding the measurement of the impact of coaching. They argue that "reliable information about executive coaching is scarce, mainly because major companies did not use coaching much before the 1980s. Last year, Anthony M. Grant, who teaches coaching psychology at the University of Sydney, Australia, surveyed research on coaching of all kinds. He located only 131 peer-reviewed studies published since 1937- Of these, just 56 were empirical, and few met standards *of* reliable methodology. 'In general,' Grant said, 'the quality of the research is extremely poor.' Although capable scholars are now crowding into the field, years may pass before they can map out authoritative guides for coaching."

In the same Harvard Business Review article Sherwin and Freas quote Wendy Gabriel, Deloitte and Touche (USA) executive coaching manager: "I don't think ROI is ever going to be able to measure the true success of coaching, so we assess the value with qualitative data. What is clear is that the market has spoken. Many of the world's most admired corporations, from GE to Goldman Sachs, invest in coaching. Annual spending on coaching in the United States is estimated at roughly $1 billion." (Sherwin & Freas, 2004: 84)

In stark contrast to these arguments, Meyer (2007:09) believes that measuring the return on coaching is achievable through determining whether the "impact of the coaching intervention has been high or low. In other words, do you have figures that show an increase in output or

performance?" Skiffington and Zeus (2003:04) state that "both quantitative and qualitative research is increasingly being undertaken on the effectiveness of coaching in the corporate, business and public arenas." (Skiffington and Zeus, 2003: 04)

Research undertaken by the Manchester Consulting Inc between 1996 and 2000 was able to show a ROI of approximately six times the cost of an executive coaching program. In addition to 'significant intangible benefits,' MetrixGlobal LLC reported a ROI of 529 percent attributable to a leadership development coaching program. (Siffington and Zeus, 2003)

Rock and Donde (2008:11) assert that "coaching has a proven impact: add coaching to an initiative to increase focus; to training and people learn more, up to six times as much in some cases. As change catalysts, coaches assist with managing the speed of, and smooth transition through change. There is an inbuilt resistance to change – so by minimizing the stress response, and error detection of the amygdala – we can make this process less painful. The emotional change required in organizational transition requires hardwiring of new learning through insight and action. Coaches can facilitate this process."

Skiffington and Zeus (2003:04) note that "one-to-one career coaching has been shown to significantly enhance staff retention, with an ROI of 100 percent. In a public sector municipal agency, training compared with follow-up coaching yielded productivity gains of 22 percent and 88 percent respectively. In another public sector company, improvements were seen in communication, team work, leadership, innovation, customer service, productivity, goal-setting and effectiveness as a result of a six-month executive coaching program."

Similar results were observed during a person-to-person coaching program held by Sun Microsystems. "A cross-sectional field study showed that, as a result of coaching, executives became more aware of themselves and others and took more responsibility for their actions. A person-to-person career coaching program at Sun Microsystems resulted in an estimated ROI of more than 100% through enhanced retention. This coaching program resulted in improved workforce flexibility and reaction time to changing customer needs and helped strengthen the connection between individuals and the organisation." (Skiffington & Zeus, 2003:05)

Research conducted by Rock and Donde (2008:13) supports this claim, and goes on to show that "people's performance at work is very connected to the quality of the relationship with their manager and also with co-workers. By utilizing internal coaches you potentially

increase people's overall performance through deepening the connections across this system."

4.1.2 'BOTTOM-LINE' BENEFITS OF COACHING

Skiffington and Zeus (2003:05) report that "Qualitative surveys across various industries have demonstrated that coaching yields the following benefits:

    a. Improvement in individual work performance.

    b. Growth and self-actualisation of the individual.

    c. Increased job satisfaction.

    d. Increased openness to learning and development.

    e. Ability to use talent and potential more effectively.

    f. Improved morale.

    g. Higher staff retention."

Research conducted by Rock and Donde (2008:10) illustrates that "training leaders to be internal coaches is a more scalable, sustainable and robust approach to driving change and improving performance than hiring external coaches. Early indicators are showing significant increases in retention, engagement, productivity and performance, as well as ROI (17x), across organizations that have developed internal coaching."

4.1.3 THE NEED FOR MEASURING RETURN ON COACHING

Meyer (2007) identifies a number of trends that have recently increased organisations' interest in determining the ROI of training, coaching and other capacity-building programs in South Africa. These include:

    a. The implementation of the Skills Development Act has caused South African company training budgets to grow to the extent that companies spend more than 3% of payroll on training.

    b. Coaching has been highlighted by several BEE charters as an initiative to accelerate BEE in companies.

c. Top management want human resource functions to show accountability in terms of tangible business benefits.

d. The King II Report on Corporate Governance highlights the importance of measuring the value of human capital development interventions.

It is important for managers to note that "while an ROI consultant may provide the initial expertise upfront, long-term dependence on consultants is not advisable. The sooner the company takes ownership and responsibility for ROI measurement, the better it will be in the long term." (Meyer, 2007:16)

4.1.4   ASSESSMENT, MEASUREMENT AND EVALUATION

Vaughn (2005: 81) argues that "evaluating training is an essential process to ensure that the organisation's resources are being used wisely. This assessment is important to the organisation, to the trainer, and to the trainees."

"Organisations will want to know: 'Is the cost of training justified?' and 'Can these trainees safely be turned loose in our organisation?' Trainers will typically want to know 'How successful have I been in doing my job?' Trainees will want assurances that they have been successful in their learning efforts and will be able to perform effectively on their jobs." (Vaughn, 2005: 81)

Meyer (2007:08) believes that "while assessment focuses primarily on the achievement of competence, measurement is needed to indicate the extent, or lack of, competence with specific reference to the organisation's tangible Human Resource Development (HRD) benefits. In addition, the process of evaluation helps the HRD manager to decide how effective the overall training is, so that the necessary improvements can be implemented."
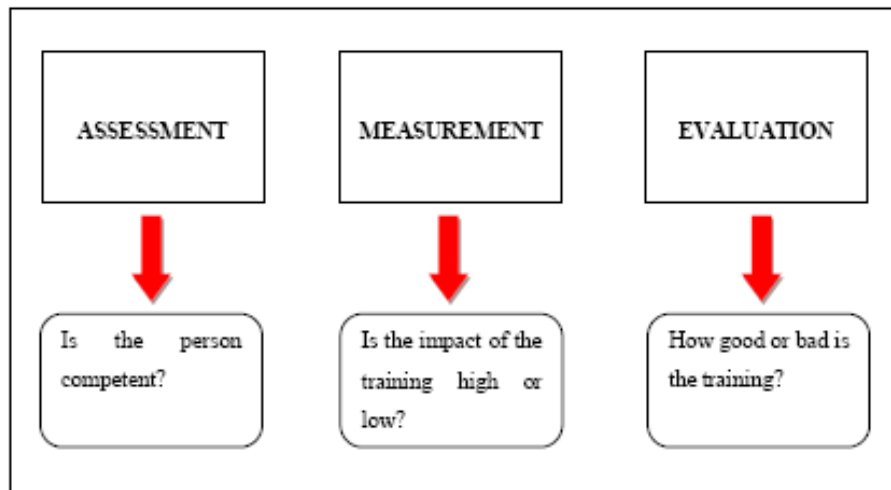
Figure 4: Relationship between Assessment, Measurement and Evaluation

Vaughn (2005:82) asserts that "evaluating both learning and the overall program should be an integral part of effective training. Good training begins with an accurate definition of training needs, then proceeds through developing training objectives, moves on to developing measures, then focuses on the design and presentation of the training and ends with more effective job and organisational performance. The role of evaluation is to ensure that this improvement has happened."

4.1.5 HOW TO MEASURE RETURN ON INVESTMENT OF COACHING

Selwyn (2005) argues that the business value of measuring the Return on Coaching is that it provides the coachee with:

    a. A greater awareness of personal values.

    b. Ability to see different perspectives.

    c. Awareness of what fulfilment means to the client.

    d. Naming and shaming of gremlins.

    e. Limitless sense of possibility.

    f. Commitment to live the life you want.

Based on the largely subjective nature of coaching, measuring the "return" from a coaching initiative is regarded as exceptionally challenging because of its intangibility. While much energy and funding is made available to match executives with the right coach, so far, "there has been little empirical research on the impact of coaching on leadership effectiveness and payback to the organisation." (Thach, 2002:205)

Nevertheless, recent attempts to measure return have produced promising results. Thach (2002:205) argues that "in the last decade, executive coaching, combined with 360 feedback has been one of the fastest-growing executive development options within global economies." Research conducted by Politzer (2007:01) has further revealed that the most commonly requested coaching measurables included:

a. "Improved individual/team performance.
b. Improved productivity of the division.
c. Improved quality of interaction and communication between division leader and direct reports.
d. Improved leadership/management effectiveness.
e. Improved staff retention.
f. Improved customer service and client retention."

Authorities on measuring the return on coaching initiatives are divided; while some believe that successful measurement requires a firm quantitative approach, others believe that such an approach fails to grasp the intricacies involved and thus argue for a more qualitative approach.

Meyer argues for a quantitative approach and comments: "Those responsible for coaching programs need to focus on defining what a successful coaching outcome looks like and put in place the necessary measures. Robust figures showing a bottom-line ROI are the best form of defence."(Meyer, 2007:19)

Vaughn, on the other hand, believes in a more qualitative approach to measurement and claims that "generally, trainers use an end-of-course evaluation form to obtain a rating of how the participants liked the program, what they gained most from it, and other information related to training. This 'attitude' level of evaluation is used with nearly all training,

including many college courses. National surveys report a 90%-plus application of evaluation at this level." (Vaughn, 2005:83)

Meyer (2007) argues that there are several techniques available for the measurement of coaching interventions. Each technique depends on which elements the researcher wishes to measure. The author considered the following three techniques as a means to measure the impact of coaching at Toyota Malawi Ltd, after Meyer (2007:20):

a. "<u>Mentor/coachee talent assessment</u>.   Assess the coaches before and after the intervention, to determine whether an improvement in performance is observed.

b. <u>Multi-rater feedback systems (360 degree)</u>. The use of a 360 degree assessment to determine how different people see the coaching skills of identified managers. It is very useful also to get inputs from their staff, because they are on the receiving end of the leadership and coaching practices and styles.

c. <u>Performance Management</u>.   Your everyday performance management method already in place can be adapted to include elements relevant to coaching relationships."

4.1.6   DESIGNING THE EVALUATION PROCESS

Dr Donald Kirkpatrick, former National President of the American Society for Training and Development (ASTD) developed a "basic and generally effective model of evaluation" (Vaughn, 2005:82) for the evaluation of training programs. The model identifies four levels of evaluation that coincide roughly with the levels of objectives of training:

Evaluation Level	Training Objective	Example	Example of Measurement
Reaction	Attitude/Awareness	Be aware of company's organisation structure, culture and products	Student Surveys
Learning	Knowledge	Be able to list six steps in completing a Form 2101	Written or Oral testing
Behaviour	Skills/Cognitive	Be able to compute the correct	Compute the interest

		interest rate for an application	rate to be charged with 100% accuracy
Results	Job Performance	Complete ten sales calls per week and close at least 30% of sales with a min of $5000	Weekly sales report from accountants which reflect results

Table 2: Comparison of the Four Levels of Evaluation with Training Objectives

It is important to note that the four levels of training "are not discrete; instead they tend to be cumulative and hierarchical. Typical training programs in a company are apt to have some of each type of objective." (Vaughn, 2005:70) This research report makes use of reaction-level evaluation of the coaching initiatives because "reaction-level evaluations can be done at any time during training, or long after it is over, not just at its conclusion. This approach is especially useful when training is conducted over a long time period." (Vaughn, 2005:83)

From the perspective of evaluation of content "evaluation can include questions about both content and process. In fact, at this low level, content and process may be somewhat difficult to separate. Because the only practical and immediate way to determine whether an attitude or awareness has changed is simply to ask the trainees, such assessments commonly request their opinions on both content and process at the same time. While such analysis is obviously open to substantial bias, it can still serve a valid purpose." (Vaughn, 2005: 83)

To create an evaluation at the reaction level, Vaughn (2005:84) suggests that the evaluator should:

    a. "Determine what sort of information is wanted.
    b. Design data collection so reactions can be tabulated and quantified. The evaluation should be easy to summarise and therefore typically use a form of quantitative rating scale.
    c. Encourage additional comments and feedback.
    d. Keep it simple."

Based on the research conducted by Goldsmith, Lyons and Freas (2000); Skiffington and Zeus (2003); Meyer (2007); and Politzer (2007) this research report attempts to determine the impact of Integral Coaching on:

    a. Team Performance.

b. Productivity of the Division.

c. Interaction/Communication.

d. Customer Service.

e. Leadership/Management Effectiveness.

f. Employee Retention.

As suggested by Meyer (2007) the author firstly adapted the performance management data Key Performance Indicators (KPIs) contained in Toyota Malawi Ltd's monthly "Actual Balanced Scorecard" (Toyota Malawi Ltd, 2008:01) in an attempt to provide quantitative evidence of the impact of coaching at Toyota Malawi. An example of a Balanced Scorecard is contained in figure 5.

Figure 5: Toyota Malawi Balanced Scorecard

Secondly, the author conducted eleven one-on-one semi-structured interviews and a simultaneous survey of all the key Toyota Malawi staff members in an attempt to determine whether they perceived improvement in their KPIs as a result of coaching. (Meyer, 2007)

4.1.7 CONSTRUCTION OF THE EVALUATION MODEL

4.1.7.1 TEAM PERFORMANCE – EVA

Economic Value Added (EVA) is a financial calculation for performance measurement invented by Stern Stewart and Co. Toyota uses EVA to evaluate their corporate performance. It "forces employees and managers to pay attention to the real bottom line, namely increasing shareholder value. EVA makes managers act like shareholders." (Firer, Ross, Westerfield & Jordan, 2004:478).

The model makes use of EVA to measure the impact of integral coaching on team performance because as Bannon (2008) argues: "The bottom-line effect of improved team work is likely to increase the value added. If coaching were to impact team performance it would most likely affect EVA."
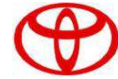
4.1.7.2 PRODUCTIVITY OF DIVISION – 'SERVICE DIVISION' PRODUCTIVITY

The Services Division's Productivity figure was used to evaluate the impact of coaching because, as a division of Toyota Malawi, it has to interface with multiple clients ranging from other internal Toyota divisions (e.g., 'Parts') to external clients in the form of the public (customers). This structure depends heavily on sound working relationships and meaningful conversations.

4.1.7.3 INTERACTION/COMMUNICATION – NUMBER OF KAIZEN IDEAS

A critical element in Toyota's world-wide success is the Toyota Production System (TPS) that focuses on Philosophy, Process, People and Problem-Solving. Central to the TPS' systematic problem-solving approach is the quest for continuous improvement, more commonly known by the Japanese word 'Kaizen.' (Liker, 2004)

"Kaizen is the process of making incremental improvements, no matter how small, and achieving the lean goal of eliminating all waste that adds cost without adding value. Kaizen teaches individuals skills for working effectively in small groups, solving problems,

documenting and improving processes, collecting and analysing data, and self-managing within a peer group. It pushes the decision making (or proposal) making down to the workers and requires open discussion and a group consensus before implementing any decision." (Liker, 2004:24) At Toyota Malawi Ltd, the staff's performance improvement ideas are collected by the Human Resources (HR) department on a monthly basis. These ideas are then evaluated by each and every staff member, and if implemented, become known as a Kaizen.

The Kaizen figure recorded in the Balanced Scorecard is thus calculated by:

$$\textbf{\# of Kaizen} = \frac{\textbf{\# of performance ideas implemented}}{\textbf{\# of performance ideas submitted}}$$

Kaizen is ideally suited as a measurement figure to determine the impact of integral coaching on interaction and communication among Toyota staff. The more Kaizen ideas that are generated per person is an indication of how well the staff are interacting and communicating amongst each other in order to innovate and solve problems.

4.1.7.4 CUSTOMER SERVICE – CUSTOMER SERVICE INDEX

Toyota Malawi measure their level of customer service on a monthly basis according to a Toyota-wide prescribed methodology that uses a Customer Service Index (CSI). This is measured in three sections:

    a. CSI – Vehicles.
    b. CSI – Spare parts.
    c. CSI – Service.

The model will use an aggregate total over all three sections.

4.1.7.5 MANAGEMENT EFFECTIVENESS – STOCK AVAILABILITY (PARTS)

The Parts Division is a vital link in the Toyota Malawi operations because it interacts extensively with all other divisions. From an operational perspective 'Parts' must ensure that

it has the right number of the right parts, at the right time, in order to satisfy the Services Division. In addition, 'Parts' needs to plan sufficiently well in advance for delivery and to liaise with the Finance Division for payment. Coordination, planning, cooperation, understanding of each others' needs and communication is crucial to this process.

Because integral coaching aims to optimise this process through the development of individuals' capacity to trust, have difficult conversations and give feedback, its impact on management effectiveness would most likely be felt in their central task of Stock Availability.

4.1.7.6 EMPLOYEE RETENTION – STAFF TURNOVER

Research by Goldsmith, Lyons and Freas (2000) indicates that a coaching initiative helps organisations to avoid the loss of high-impact people. While the Balanced Scorecard does not reflect staff turnover figures, the results were obtained from sourcing the Toyota Tsusho Corporate – Africa HR Reviews.

The design of the evaluation model relating the specific KPIs to coaching outcomes is graphically represented in figure 6 below.
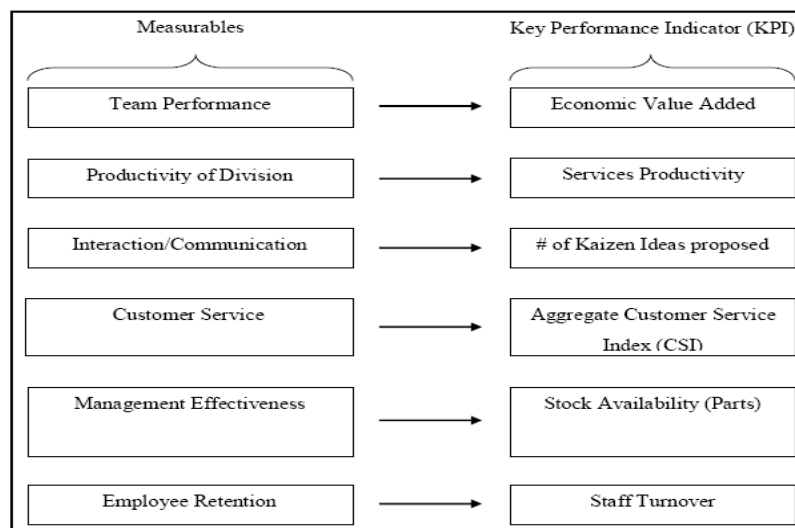
Figure 6: Evaluation Model

4.1.8 PITFALLS IN MEASURING THE RETURN ON INVESTMENT OF COACHING

Managers must guard against the potential pitfalls of measuring the return on coaching. Meyer (2007:35) argues that "it is essential to isolate non-intervening factors that could have contributed to this figure." These include:

No.	Factor
1	Business Peaks: Peak periods with higher sales or production outputs. (eg. National Elections)
2	Business location: Some branches or divisions are located in areas where business figures tend to be good, while other branches are located in less lucrative markets.
3	Economic Factors: A rise or decrease in interest rates may affect product sales, or loans approved.
4	Technology: A new system improves speed of delivery and outputs.
5	Staff variables: Motivation levels of your staff, or employing someone in your team who is brilliant may affect output levels.
6	Organisational culture: Your organisational culture could either support or impede implementation, such as the roll-out of a values program or customer service.
7	Advertising: A good advertisement at the right time and place may improve sales or outputs.
8	New products/services: Adding a new product or service to your product range may impact on performance.
9	Legislation: New legislation may force you to do something in a particular way that could either positively or negatively impact on performance.

Table 3: Non-Intervention Factors

4.2 DATA COLLECTION

4.2.1 INTRODUCTION

This report uses a combination of both qualitative and quantitative data. The purpose of this research is to measure the impact of integral coaching on Toyota Malawi Ltd.

4.2.2 IDENTIFICATION OF PARTICIPANTS

Participants were chosen according to their participation in the African Management Team Strategic Leadership through Coaching (AMT SLC) Initiative, and corresponding involvement in the local level Malawi Regional Leadership Team Coaching (MRLTC) initiative.

One-on-one semi-structured interviews, together with a survey, were conducted with each participant at their respective places of work.

African Management Team Strategic Leadership through Coaching		
No.	Position	Participant
1	Managing Director Toyota Malawi	Rosemary Mkandawire
	Malawi Regional Leadership Team Coaching	
2	General Manager (Blantyre)	Louis Du Plessis
3	Service Manager	Salim Mpunga
4	National Service Manager	Mac Mwalabu
5	Sales Manager	Patrick Malinga
6	Management Accountant	Mavuto Mapemba
7	Financial Manager	Andrew Katimba
8	National Human Resource Manager	Nargis Khan
9	Junior Financial Accountant	Noel Zigowa
10	Internal Auditor	Collings Mutambo
11	Service Manager	Clifford Phiri

Table 4: Participants in the One-on-one Semi-structured Interviews

4.2.3 ETHICAL CONSIDERATIONS FACING THE INTERVIEWER

4.2.3.1 ETHICAL PROCEDURE

When conducting research the researcher must observe certain ethical issues when collecting and interpreting data. In particular, researchers "need to respect the participants and the site for the research." (Creswell, 2003:64) This research report received ethical clearance from the UCT Ethical Board and conformed to all university requirements concerning ethical research practices.

4.2.3.2 PROFESSIONAL COMPETENCE

All interviews were conducted according to a standard set of prepared questions. While the interviewer remained rigid in the set of questions posed during the interviews, considerable effort was needed to elicit deeper insight from the interviewees. This is due, in part, to a language barrier and to a lack of sufficient time to establish a trusting relationship. This was, however, consistent with semi-structured interview procedure; Leedy and Ormrod (2005: 184) observe that semi-structured interviews require the interviewer to "follow standard questions with one or more individually tailored questions to get clarification or probe a person's reasoning."

4.2.3.3 CONFIDENTIALITY OF INTERVIEWS

Gorman and Clayton (2005:44) reiterate that "in most qualitative research confidentiality (concealment of individual identity) is the issue, not anonymity (subject remaining nameless). Because we know the name of our participants, it is essential that they be assured of confidentiality." To this extent all interviews were conducted in a safe and secure environment which ensured the confidentiality of participants' responses. All names and corresponding documentation remained confidential throughout the process. Under no circumstances was any individual or group response conveyed to senior managers. The

transcripts reflect an open and honest reflection of the individuals' responses, and thus are to remain confidential.

4.3   SAMPLING METHOD

4.3.1   INTRODUCTION

Based on the focus of this research the author used a purposeful sampling process, where he was intentionally non-random in selecting the data. Leedy and Ormrod (2005:145) note that in this type of approach the researcher "selects those individuals or objects that will yield the most information about the topic under investigation." To this end the author focused on the following:

    a. Team Performance.
    b. Productivity of Division.
    c. Communication.
    d. Customer Service.
    e. Management effectiveness.
    f. Employee Retention.

This method is best characterised in the grounded theory approach as theoretical sampling, where researchers tend to choose "data sources that are most apt to help them develop a theory of the process in question." (Leedy & Ormrod, 2005:145) This data was used to establish the Toyota Malawi Coaching Model. (See figure 6)

4.3.2   RESEARCH POPULATION

This research was limited to those members of Toyota Malawi Ltd who participated in either the African Management Team Strategic Leadership through Coaching Initiative or the Malawi Regional Leadership Team Coaching initiative. Eleven out of the fifteen possible participants were interviewed, which represents a seventy three percent response rate. The remaining four members could not be interviewed due to work commitments.

4.3.3   SAMPLE OF PARTICIPANTS

Area of Specialisation	Number of participants
General Mangers	2
Services Division (Customer & Parts)	3
Sales Division	1
Finance Division	4
Human Resources Division	1

Table 5: Sample of Participants

From table 5 it should be noted that all the relevant Toyota Malawi Ltd Divisions were represented within the sample. The inclusion of all the divisions added important insight into the dynamics and inter-relationships between the divisions, and on how the lessons from the coaching initiatives have been implemented. This has enabled the author to understand how the inner workings of Toyota Malawi Ltd affect overall performance.

4.3.4   DEMOGRAPHICS OF PARTICIPANTS

Of the 11 participants, two were female and nine male; ten were black and one white and ten were Malawian and one was South African. Of the sample 73 percent were black Malawian males.

	Black	White	Malawian	South African
Male	8	1	8	1
Female	2	0	2	0
Total	10	1	10	1

Table 6: Demographics of Participants

4.4 DATA ANALYSIS

4.4.1 INTRODUCTION

This report used a combination of qualitative and quantitative data analysis techniques. Qualitative research techniques were used to analyse the one-on-one semi-structured interview data. This process relied on both grounded theory and a hybrid of open and formal coding. (Creswell, 2003) Quantitative data analysis techniques were used to analyse the Balanced Scorecard data set. This information was summarised and graphically represented in order to assist the reader in understanding the analysis.

4.4.2 GROUNDED THEORY

Leedy and Ormrod (2005:108) describe grounded theory as "a type of qualitative research aimed at deriving a theory through the use of multiple stages of data collection and interpretation." O'Leary (2004: 96) argues that the purpose of the grounded theory approach is thus for "researchers to work inductively to generate theories strictly from the data." More specifically, Leedy and Ormrod (2005:140) define the grounded theory approach as a "prescribed set of procedures for analysing data and constructing a theoretical model from them. The term 'grounded' refers to the idea that the theory that emerges from the study is derived from, and 'grounded' in, data that have been collected in the field."

Creswell (2003:14) supports this definition, and argues that in the grounded theory approach the "researcher attempts to derive a general, abstract theory of a process, action, or interaction grounded in the views of participants in the study." This approach is thus ideally suited for the construction of a model that attempts to gauge the participants' experience of the Toyota Coaching Initiative and how it may relate to performance measurement specific to Toyota.

4.4.3 STRATEGY OF ENQUIRY

O'Leary (2004) suggests that the following steps should be undertaken when adopting the grounded theory approach:

a. Define the research question or topic.

b. Implement a methodical protocol for initial data collection.

c. Code and analyse the data.

d. Generate the subsequent theory.

He further states (2004:98) that "successive phases of the study are then emergent, based upon generated theories." These successive phases of theory may then involve re-examination of data, the development and implementation of new methodological protocols for generating, coding and analysing the additional data. (O'Leary, 2004)

4.4.4 CODING OF DATA

'Coding' data is the main categorising strategy in qualitative research, and describes the process where the main aim is to "fracture the data and rearrange them into categories that facilitate comparison between things in the same category, and that aid in the development of theoretical concepts." (Maxwell, 2005: 96)

For this report the author has used a method detailed by Leedy and Ornrod (2005):

a. Open Coding.   "The data are divided into segments and then scrutinised for commonalities that reflect categories or themes. After the data are scrutinised, they are further examined for properties – specific attributes or subcategories – that characterise each category. In general, open coding is a process of reducing the data to a small set of themes that appear to describe the phenomena under investigation." (Leedy & Ormrod, 2005:141)

b. Axial Coding.   According to these authors (Leedy and Ormrod, 2005:141): "Interconnections are made among categories and subcategories. Here the focus is on determining more about each category in terms of:

   i. The conditions that give rise to it.

   ii. The context in which it's embedded.

   iii. The strategies that people use to manage it or carry it out.

   iv. The consequences of those strategies."

This process typically requires the researcher constantly to move back and forth among the collected data, open coding, and axial coding in order to continually refine the categories and interconnections as new data is collected.

c. <u>Selective coding</u>. "The categories and their interrelationships are combined to form a story line that describes 'what happens' in the phenomena being studied. (Leedy & Ormrod, 2005:141)

d. <u>Development of a theory</u>. The final stage in analysing data using a grounded theory approach is the development of a "verbal statement, visual model, or series of hypotheses to explain the phenomena in question." (Leedy & Ormrod, 2005:141)

The author used 'clarifying' techniques during the open coding phase of the data analysis to note what was interesting, to label it and then to group it under appropriate files. Seidman (1998:107) best describes this process by remarking that "during the process of reading and marking the transcripts, the researcher can begin to label the passages that he or she has marked as interesting." On completion of reading and indicating interesting passages in two or three participants' interviews, he suggests that the researcher pause to consider:

a. Whether they can be labelled.
b. What is the subject of the marked passages?
c. Are there words or a phrase that seems to describe them, at least tentatively?
d. Is there a word within the passage itself that suggests a category into which the passage might fit? (Seidman, 1998)

The clarifying process was carried out by highlighting the interesting themes in six different colours. This coded material was then grouped under suitable category headings and further analysed to identify existing interrelationships within the data.

Table 7 below provides a summary of the coded material.

No.	Thematic Breakdown of Interview Transcripts
1	Improved Team Performance
2	Improved Productivity of the Division
3	Improved Communication
4	Improved Customer Service
5	Improved Management effectiveness
6	Employee retention

Table 7: Thematic Breakdown of Interviews

The themes were listed under category headings and verbatim quotes used to support and add deeper insight into each category.

4.4.5 STEPS IN DATA ANALYSIS

The following steps were taken to analyse the data:

a. All interviews were transcribed.

b. The researcher reviewed and familiarised himself with the data.

c. A combination of open and axial coding techniques were used to segment, categorise and determine interconnections within the data.

d. A process of selective coding was used to formulate a story line and develop a theory.

e. Test for coherence.

4.5 RELIABILITY AND VALIDITY

4.5.1 RELIABILITY

Bryman (2008:149) defines reliability as being fundamentally "concerned with the consistency of a measure of a concept." Leedy and Ormrod (2005:93) go on to define the reliability of a measurement instrument as being "the extent to which it yields consistent results when the characteristics being measured have not changed."

Bailey (1987:285) raises concerns relating to reliability by stating that "another factor damaging reliability in coding is that when coders face ambiguous cases that are not adequately resolved by coding rules, they often resolve them by invoking their own assumptions about, and knowledge of, the phenomenon being studied."

This poses a dilemma for the researcher. "If an outside researcher surveys an organisation with which he or she is not familiar, he or she can be accused of not asking the right questions and of imposing an artificial, irrelevant structure on the data through the questionnaire. On the other hand, if the researcher is a member of the organisational system with intimate knowledge of its rules and everyday operations, he or she can be accused of bias and of bending the data to meet his or her own assumptions and prejudices." (Bailey, 1987:285)

In the attempt to build 'reliability' into the research process the design of the analysis procedure took place in conjunction with Hylton Bannon, the Africa Automotive Divisional General Manager. The analysis procedure thus benefited by having a strong focused agenda, carried out according to scientifically sound methodologies by a researcher who was largely independent of the Toyota Malawi Ltd team.

In addition, Leedy and Ormrod (2005:93) argue that the reliability of a measurement instrument can be enhanced by ensuring that "the instrument should always be administered in a consistent fashion; in other words, there should be standardisation in use of the instrument from one situation to the next." Thus the one-on-one semi-structured interviews followed a standard set of questions that first asked if they felt that coaching had improved performance in a specific field; and second, what evidence they could provide to support their statement.

4.5.2 VALIDITY

Bryman (2008:151) defines validity as referring to "the issue of whether an indicator (or set of indicators) that is devised to gauge a concept really measures that concept." Leedy and Ormrod (2005:92) explain validity of a measurement as "the extent to which the instrument measures what it is supposed to measure."
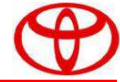
4.5.2.1 FACE VALIDITY

This instrument is a measure of the "extent to which, on the surface, an instrument *looks like* it's measuring a particular characteristic. Face validity is often useful for ensuring the cooperation of people who are participating in a research study." (Leedy & Ormrod, 2005:92)
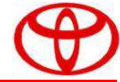
4.5.2.2 CONSTRUCT VALIDITY

Leedy and Ormrod (2005:92) state that construct validity "is the extent to which an instrument measures a characteristic that cannot be directly observed, but must instead be inferred from patterns in people's behaviour." These constructs cannot be directly observed and measured. "When researchers ask questions, present tasks, or observe behaviours as a way of assessing an underlying construct, they should obtain some kind of evidence that their approach does, in fact, measure the construct in question." (Leedy & Ormrod, 2005:92)

Using this approach this research attempted to achieve high construct validity by linking the research conducted by Goldsmith, Lyons and Freas (2000); Skiffington and Zeus (2003); Meyer (2007); and Politzer (2007) to the results of the analysed one-on-one semi-structured interview data.

4.5.3   TRIANGULATION

Triangulation is described by Bryman (2008:379) as "using more than one method or source of data in the study of social phenomena." As this research report used multiple observers, theoretical perspectives and both qualitative and quantitative data, no particular data source was biased.

5.   RESEARCH FINDINGS

5.1   RESULTS OF INTEGRAL COACHING INITIATIVE SURVEY

The results of the Coaching Initiative Survey completed by Toyota Malawi Ltd staff at Blantyre and Lilongwe Dealerships are reflected below.

No.	Question	Response	
		Yes	No
1.	Do you feel that the coaching initiative has improved your team's performance?	82%	18%
2.	Do you feel that the coaching initiative has improved productivity of the division?	82%	18%
3.	Do you feel that the coaching initiative has improved the quality of communication between yourself and your superior?	73%	27%
4.	Do you feel that the coaching initiative has improved the level of customer service?	73%	27%
5.	Do you feel that the coaching initiative has improved the quality of management effectiveness?	73%	27%
6.	Do you feel that the coaching initiative has improved employee retention?	9%	91%

Table 8: Results of Integral Coaching Initiative Survey

5.2   RESULTS OF THE ONE-ON-ONE INTERVIEWS

The research findings of the one-on-one semi-structured interviews have been coded and sorted into six categories.

5.2.1   CATEGORY 1: IMPROVED TEAM PERFORMANCE

No.	Employee Comment
1.	"Coaching targets the 'software' and not the 'hardware.' It brings in the caring for the emotional understanding. Team performance is improving. At first everyone protected their own turf, but now we are all part of the same whole. How well 'Sales' does depends on 'Parts' and depends on 'Services.' Debtors' and Creditors' days depends on the interaction between 'Sales' and customers. Coaching has led to better working between divisions. Our EVA has almost doubled in the past three years and our other KPIs are getting better. But we are still working on it: it's part of the Toyota philosophy of continuous improvement."
2.	"Not yet: roll-out will filter down in the future to improve productivity and efficiency."
3.	"Coaching has opened up my way of managing emotions and problems. It's a new level of experience. For my team, perhaps on the way. There are no tangible results so far. While management between departments is understood, the problem is with training and equipping the juniors."
4.	"Team performance has improved indirectly. They have felt a change in the way I approach them. We agree on expectations."

5.	"I am more able to listen, take in other views and stop being judgemental. Team performance has improved through coaching, but would be more beneficial if my whole team knew what I had gone through - coaching circles etc. But the process has enabled me to build better relationships."
6.	"Coaching has helped me to delegate duties to juniors and develop my confidence that my actions are correct. My delegation of duties has created a vacuum that junior management must now take up the slack. My team's performance has improved through communication. We are now able to tackle both the hard and soft issues through Difficult Conversations."
7.	"My team's performance has improved, for now. As an accountant, when Debtors' Days increases the problem lands up on my desk. I am now able to feed it back to 'Sales'. We can both see that incentive schemes are not working properly. Open communication between the two divisions improves this situation."
8.	"My teams' performance has improved. The understanding that I have gained from coaching circles is being passed onto my team. Sales have increased, I feel, as a result of coaching, because of the feedback conversations. Traditionally feedback was viewed as negative, now we view it as positive, and we use this to improve our sales efforts."
9.	"Coaching has helped me to help my colleagues solve a problem that they have. In being able to ask the right questions, I am able to help that person find the answer for himself. This has been very useful because now people help themselves more often and are able to make decisions. My team's performance has improved because they are now able to take on challenges and accept responsibility. This is very important, because previously the line manager

	would come to me if there was a problem. If I was not available at the time mistakes would occur and sometimes all work would stop. These days I don't see them very often."
10.	"My team's performance has improved because now we are better able to identify the root cause of the problem. We have discovered that the answer lies within ourselves as a team. Look at the monthly balanced score card because the results are team based."

Table 9: Employee comments on Improved Team Performance

5.2.2 CATEGORY 2: IMPROVED PRODUCTIVITY OF DIVISION

No.	Employee Comments
1.	"I'm not too sure of statistical evidence, but in terms of helping each other out, yes, the division is more productive. We are not there yet. We are still developing to be more efficient and effective."
2.	"From a personal perspective, my division is more productive because we are able to understand each other better and are therefore better able to help each other."
3.	"The productivity of the division has definitely improved. There was an initial push-back from my side because coaching takes people away from their business. This was viewed as a waste of time by many. This is change. People must realise that they must empower their subordinates more – 'a vehicle can drive on auto for a few months [analogy]. Coaching allows people to achieve a work-life balance. This increases productivity, because now I can spend more time on my things."

4.	"We are more productive because we are able to build better relationships with our seniors, colleagues and subordinates. 'Difficult Conversations' and 'Promises' has helped."
5.	"We were already productive. But it has helped us to interact with each other in the department. This is evident in our Service Level Agreements."
6.	"Coaching has given me a hands-on, guiding experience. The more time I create to focus on strategic issues the more productive I am as a manager."
7.	"Our division productivity has improved. This is evident in the increased number of units [cars] we have sold. When I arrived here it was around 40 to 50 units. Since coaching it has doubled. Coaching circles has been most beneficial to me."
8.	"A difficult one to quantify. In the workshop, when I assign jobs to the line managers they are able do them. The work gets done."
9.	"Our division's productivity has improved. We are more open to one another to solve problems quicker. Thanks to coaching's one-on-one discussions we know that the solutions lie within ourselves, not the market or outside."
10.	"To a degree, I think our division's performance has improved. People come back from coaching feeling motivated for the first few days, but is then quickly lost. It's hard to bring to the lower levels, those who have not participated.

Table 10: Employee comments on Improved Productivity of Division

5.2.3   CATEGORY 3: IMPROVED QUALITY OF COMMUNICATION WITH SUPERIORS

No.	Employee Comments
1.	"Yes, because after the [coaching] sessions we put forward challenges, and this draws me closer to my boss. We are more open to each other and we tackle challenges straight forward."
2.	"This is a work in progress."
3.	"Communication has definitely improved. 'Tough Conversations' gets to the reality of the situation. There is no time to pretend. This is what you say – this is what you do."
4.	"Communication with my superior is the same. However, communication amongst the coaching circle has definitely improved."
5.	"Communication has improved. I have learnt that email does not supersede face-to-face discussion – small issues make the difference. Phone calls are the way."
6.	"Coaching has certainly improved my communication because of 'Courageous Conversations.' It has been very helpful. I know how to frame my conversation

No.	Employee Comments
7.	"No, maybe I am to blame. But communication sometimes breaks down. At the moment it is very difficult."
8.	"Communication has not improved but has been enhanced. There was no original problem, so the result is enhanced communication."
9.	"Yes, coaching circles has improved communication. This is most evident among senior managers who are now forcing the issues. I do however sometimes feel left out of the loop."

Table 11: Employee comments on Improved quality of Communication

5.2.4   CATEGORY 4: IMPROVED CUSTOMER SERVICE

No.	Employee Comments
1.	"Yes, coaching has improved our customer services. We have improved our communication among the sales staff by having regular briefings about who is doing what. Each consultant now takes ownership of a sale, but is always ready to assist with a 'customer-pass-on' when necessary. We have seen a rise in our customers' confidence in our ability to problem-solve."
2.	"I believe that coaching could have played a vital role in facilitating the opening of the Mzuzu Dealership. Because of a lack of consultation with the finance department the venture created huge communication problems for Toyota Malawi. The unavailability of finance staff led to poor service delivery, which

	led to poor business results. This definitely affected our CSI."
3.	"In my opinion, coaching has improved the level of customer service. [within own division] Coaching techniques take emotions out of confrontation. This is very helpful because the customer often seeks help to overcome a problem."
4.	The way we handle our customers has changed. With coaching you learn to look at people rationally rather than emotionally. This helps us to view the situation clearly and calmly, which results in better customer service. A member from the customer service division used to view complaints as a personal attack against him. This resulted in him hiding complaints from management. Complaints were then never resolved and our Customer Service Index (CSI) rating dropp[ed]. The coaching initiative has changed his perception of complaints. He now openly acknowledges complaints and uses them to improve his performance."
5.	"Coaching has also taught me to work with a sense of honesty. I almost lost a customer once, but I went to apologise to him. He came back two months later and bought a double cab. Coaching circles has helped me to bring this sense of honesty to my customers."
6.	"Coaching has helped me to say yes when I mean yes, and no when I mean no. This avoids customers from being disappointed."
7.	"Coaching has changed our attitude towards customer service, but delivery is a company thing and not a coaching thing. Coaching has helped to highlight that there is a problem, management must now fix it."

Table 12: Employee comments on Improved Customer Service

5.2.5   CATEGORY 5: IMPROVED MANAGEMENT EFFECTIVENESS

No.	Employee Comments
1.	"Coaching has certainly improved my management effectiveness. It has allowed me to coach my senior managers who were erring. Since undertaking the coaching initiative they appear happier, report on time, and people take them more seriously. The CSI results have since improved. In other departments; car sales, debtors and stock effectiveness have improved. As a result of open conversation among people we have been able to improve our working capital, cash flow and stocks. The important issue is communications so that they can do it themselves."
2.	"Coaching has improved the speed of responses. If you request management to respond they do so quicker – coaching circles has played a big part in this."
3.	"Some minor problems remain that should have been solved had we all fully accepted the coaching initiative."
4.	"Coaching has helped improve managements' effectiveness, but some bad habits still remain. But overall, the confrontation is improving this. Constructive criticism is a way of life, and this forces people to validate their decisions."
5.	"Yes, we interact differently now. We now hold inter-department meetings to problem-solve. I feel that the team is coming together. Problems are shared."
6.	"Being coached on real issues has helped improve managements' effectiveness.

No.	Employee Comments
	Each person has been assisted. People can now say that 'this is what I'm going to do' and they have a team to assist them to do it."
7.	"Coaching has helped improve managements' effectiveness a little bit. It definitely has its advantages. The biggest hassle is time away from the office. Managers have stringent targets to meet. If they are doing coaching and are away from the office they are out of the system. Should they then be penalised for not reaching their targets?"

Table 13: Employee comments on Improved Management Effectiveness

5.2.6 CATEGORY 6: EMPLOYEE RETENTION HAS NOT CHANGED

No.	Employee Comments
1.	"From our department's perspective no one has left either prior [to] or after the coaching."
2.	"We have not had any employees leave other than formal dismissals."
3.	"Staff turnover has always been very low. It is only the management trainees who leave after their two years of training. The perception of why they leave is because they are so good. The respect must be earned from the bottom up as they enter. We hope that coaching will have a ripple down effect."
4.	"If they have left it is because of expansion. We are still fine, but shouldn't become complacent. The key to the problem is understanding people's expectations."

5.	"There have been zero people leaving from my department for a couple of years. But you are able to spot the problems before they can get to pitch point. Sharing of problems creates trust and stronger bonds."
6.	"Nobody has left. Coaching circles has given me confidence to approach my team and tell them that I know that they are unhappy, but that management is trying to do something. Their problems are my problems."
7.	"I have not seen many leave. If they have left it is because of disciplinary issues."
8.	"I don't believe that coaching has bearing on it."
9.	"We rarely have people leaving. The rate has remained the same."

Table 14: Employee comments on Employee Retention
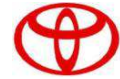
5.3 RESULTS OF BALANCED SCORE CARD DATA ANALYSIS

5.3.1 PERIOD PRIOR TO COACHING INITIATIVE

Summary Statistics						
	EVA	Division Productivity	Kaizen	CSI	Stock Availability	Staff Turn
Mean	Confidential	101%	0.02	81%	92%	0.006%
Range		31%	0.07	17%	8%	0.000%
Minimum		85%	0.00	76%	89%	0.006%
Maximum		116%	0.07	93%	97%	0.006%
Improvement		29%	0.00	7%	-2%	0.000%

Table 15: Results of Balanced Scorecard analysis - Pre-coaching

5.3.2 PERIOD POST-COMMENCEMENT OF COACHING INITIATIVE

Summary Statistics						
	EVA	Division Productivity	Kaizen	CSI	Stock Availability	Staff Turn
Mean	Confidential	126%	0.90	67%	92%	0.006%
Range		56%	2.00	34%	3%	0.000%
Minimum		93%	0.00	50%	90%	0.006%
Maximum		149%	2.00	83%	93%	0.006%
Improvement		35%	0.93	-9%	1%	0.000%

Table 16: Results of Balanced Scorecard analysis - Post-coaching

6. DISCUSSION OF RESEARCH FINDINGS

6.1 INTRODUCTION

The twenty three month period from January 05 to November 06 was used to, firstly, determine the existing trends at Toyota Malawi Ltd prior to the implementation of the Coaching Initiative; and, secondly, to establish a base line against which to compare subsequent performance. No survey or one-on-one interviews were completed by the Toyota staff prior to the coaching initiative, and thus direct comparison with the subsequent survey and one-on-one semi-structured interviews is not possible.

The one-on-one semi-structured interviews were conducted on site at both the Blantyre and Lilongwe Dealerships. Eleven out of a possible fifteen candidates took part in the survey and one-on-one interviews. This represents a 73 percent response rate.

6.2 IMPROVED TEAM PERFORMANCE AND EVA

Eighty-two percent of the respondents felt that coaching has improved their team's performance, while the remaining eighteen percent felt that it has not. Commonly-cited benefits of coaching to team performance include an improved problem-solving capacity (due to greater mutual trust), deeper emotional understanding and a more collaborative approach. Respondents also reported a greater synergy between divisions, brought about by being able to have "difficult conversations" with colleagues, to give and receive "feedback" and take a more considered approach by listening and trying to see the other person's point of view.

From a management performance perspective, EVA has increased by [Confidential] since the start of the coaching initiative which equates to a 92% increase, as opposed to a [Confidential] (36.5%) decrease over the period preceding the coaching initiative. While EVA has experienced a greater range fluctuation post-coaching [Confidential] ,its average is [Confidential] greater than that of pre-coaching. Toyota Malawi Ltd therefore, on average, adds more Economic Value since the commencement of the coaching initiative.
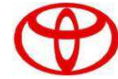
Finding 1: **Toyota Malawi has observed a 92% increase in EVA after the commencement of the coaching initiative while simultaneously observing that 82% of the respondents feel that coaching has improved their team's performance.**
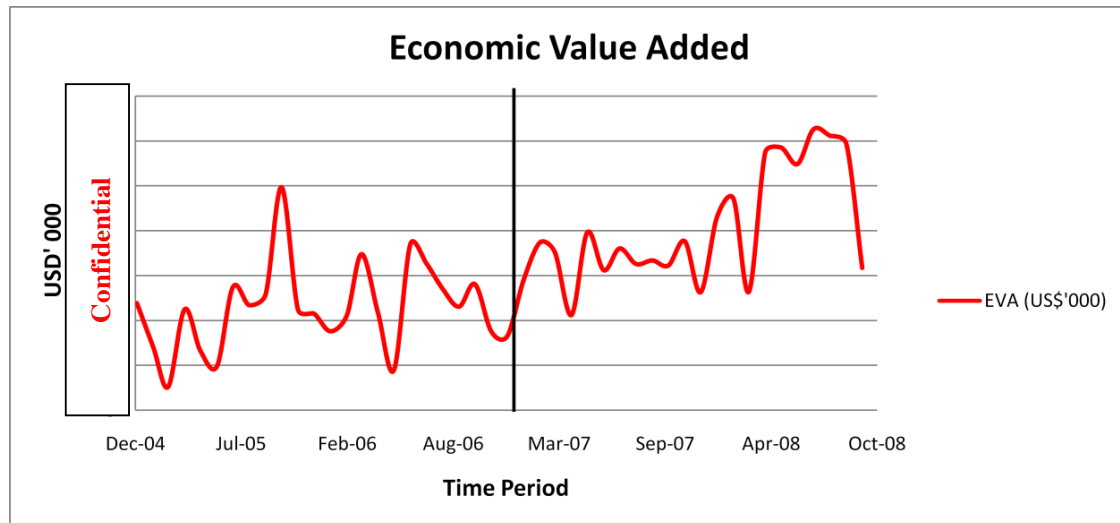
Figure 7: Economic value Added

6.3   IMPROVED DIVISION PRODUCTIVITY – SERVICE DIVISION

Eighty-two percent of the respondents felt that coaching has improved the productivity of their division. The remaining eighteen percent disagreed. Respondents regularly noted that coaching has motivated and helped them to engender a more open and deeper understanding and helping spirit. They felt that this has enabled them to build "better relationships" with their seniors, colleagues and subordinates. This appears to have resulted in quicker problem solving competencies within divisions. They cited being able to hold "difficult conversations" and "Promises" as being key to their success. A very small percentage believes that coaching has not helped improve the productivity of their division because "filtration" and "bottom-up support" is poor.

From a performance management perspective, productivity has improved by 35% since the commencement of the coaching initiative, compared to a 29% improvement previously. Once again we observe that the range for a post-coaching performance indicator is greater than that

for pre-coaching. However, we observe that the average productivity is 25% more after coaching than it was before.

Finding 2: **Toyota Malawi observed a 35% improvement in the productivity of its Service Division after the commencement of the coaching initiative while simultaneously observing that 82% of the respondents feel that coaching has improved their Division's productivity.**
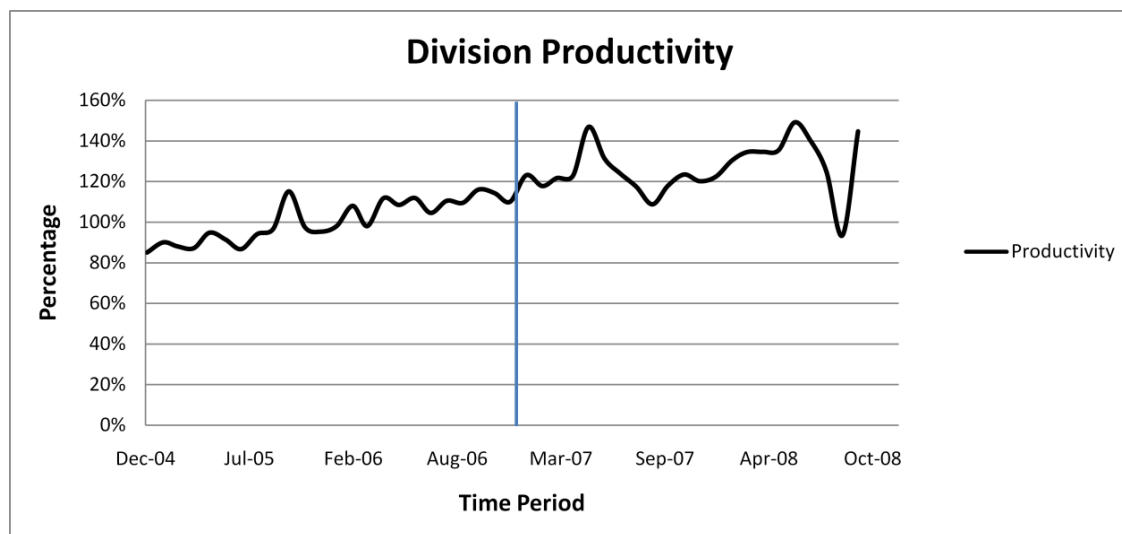
Figure 8: Division Productivity

6.4   QUALITY OF COMMUNICATION – NUMBER OF KAIZEN IDEAS

Seventy-three percent of the respondents felt that coaching has improved the quality of communication with their superior while twenty-seven percent felt that coaching has not improved the quality of communication with their superior. Common themes included being more able to conduct a structured and logical conversation using the "courageous conversations" framework. Respondents felt that coaching has helped them to be more open with each other, and for more mature conversations to take place.

From a performance management perspective, the number of Kaizen ideas has improved from an average of 0.02 to an average of 0.9 Kaizen ideas per person per month. While this does fall short of the 1 Kaizen Idea per person per month goal set by Toyota Malawi Ltd, it does represent a considerable improvement. Caution should, however, be observed when

assessing this statistic because the Balanced Scorecard started to measure the number of Kaizen Ideas only from April 06. This leaves a 15 month period without measurements prior to coaching.

Finding 3: **Toyota Malawi Ltd improved their number of Kaizen Ideas generated per person per month from an average of 0.02 pre-coaching to an average of 0.9 post-coaching, while simultaneously observing that 73% of the respondents felt that coaching has improved the quality of communication with their superior.**

Figure 9: Communication using # of Kaizen Ideas

6.5   CUSTOMER SERVICE – CUSTOMER SERVICE INDEX
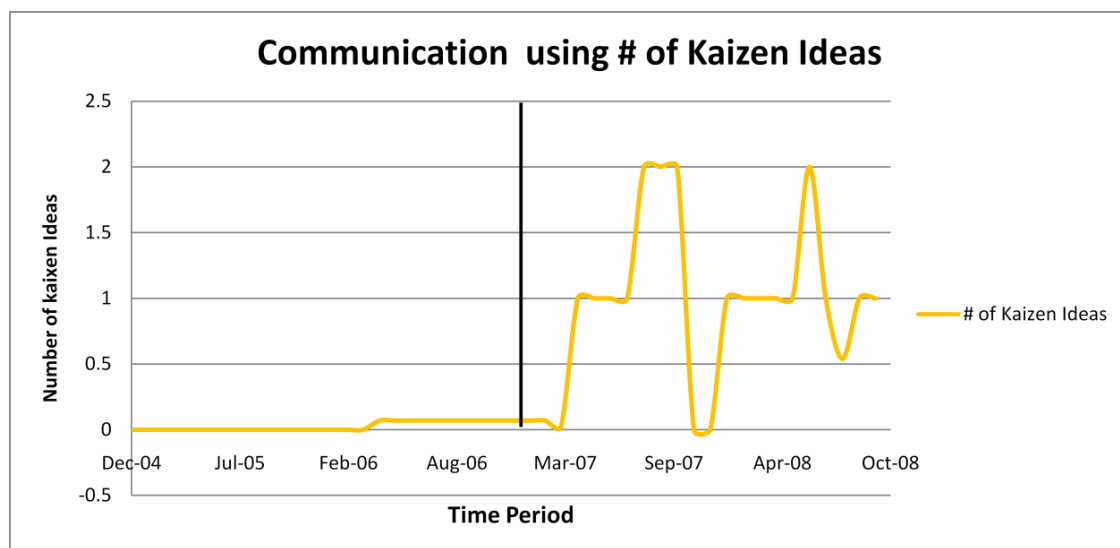
Seventy-three percent of the respondents felt that coaching has improved the level of customer service while twenty seven percent felt that coaching has not improved the level of customer service. Respondents frequently cited that coaching has helped them to view confrontation from a logical and rational perspective rather than from an emotional one. Coaching has also facilitated a change in the staff's perceptions of customer complaints. The chief benefit of this approach has been that staff are now more adept at helping customers resolve their problems.

From a performance management perspective, the customer service index paints a confusing picture, in contrast to the other KPIs used by this model. It would seem that the CSI figure

has suffered an overall nine percent reduction since the commencement of the coaching initiative, compared to the seven percent increase observed prior to coaching. In addition, and most alarmingly, the CSI post-coaching reveals a minimum score of only fifty percent. This figure is twenty-six percent less than the CSI minimum score prior to coaching. This trend is clearly visible in figure 10, with a considerably reduced CSI score early in 2007, followed by a slow but steady recovery.

The reason for this alarming trend is that the methods of measuring the CSI changed early in 2007 to a more stringent one prescribed by Japan. It is felt by senior management that the new CSI measurement method is a more correct method which has given Toyota Malawi a stable platform from which to improve. Furthermore, the Malawi dealerships experienced a number of problems regarding buy-in into the new way of calculating CSI and the role of the Customer Services Division.

Ultimately, the CSI has shown a twenty five percent increase during the post-coaching period following the change (April 07) of measurement methodology, compared to a seven percent increase measured during the period prior to coaching.

Finding 4: **Toyota Malawi Ltd observed a 25% increase in the CSI after the commencement of the coaching initiative, and the change to a new CSI measurement methodology (April 07) while simultaneously observing that 73% of the respondents feel that coaching improved the level of customer service.**
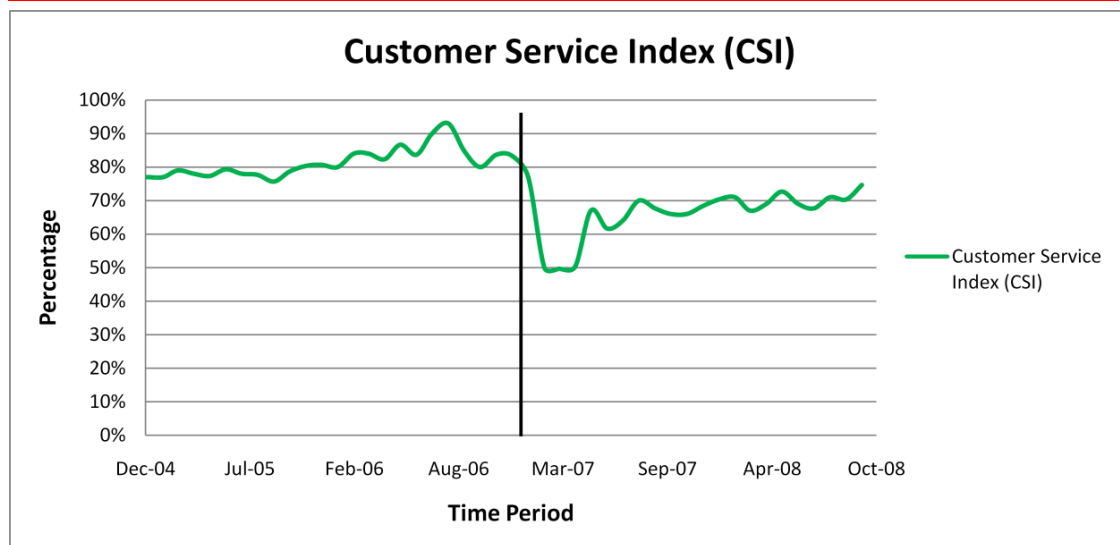
Figure 10: Customer Service Index

6.6   MANAGEMENT EFFECTIVENESS – STOCK AVAILABILITY (PARTS)

Seventy-three percent of the respondents felt that coaching has improved the quality of management effectiveness while twenty seven percent felt that coaching has not improved the quality of management effectiveness. Respondents commonly felt that coaching has improved the manner in which individuals interact with their team members, listing specifically improvements in constructive criticism, speed of response, problem-solving and coordination during team meetings. Some managers reported that their subordinates seemed happier, reported on time and took each other more seriously since undergoing coaching. The listed benefits of perceived improvements in management effectiveness included improvements in the CSI, Sales, Debtors Days and Stock Keeping Effectiveness.

In terms of management performance, stock availability has improved by only one percent since the commencement of the coaching initiative compared to a two percent reduction before coaching. While this represents only a minimal improvement in stock availability overall, Toyota Malawi have been able to reduce the stock availability volatility (range) to only three percent, compared to eight percent before the coaching initiative. This reduced volatility in availability of stock impacts favourably on effective planning and management in all the affected divisions.

Finding 5: **Toyota Malawi Ltd observed a 1% improvement in stock availability and a 3% reduction in stock availability volatility following the commencement of the coaching initiative while simultaneously observing that 73% of respondents felt that coaching has improved management effectiveness.**
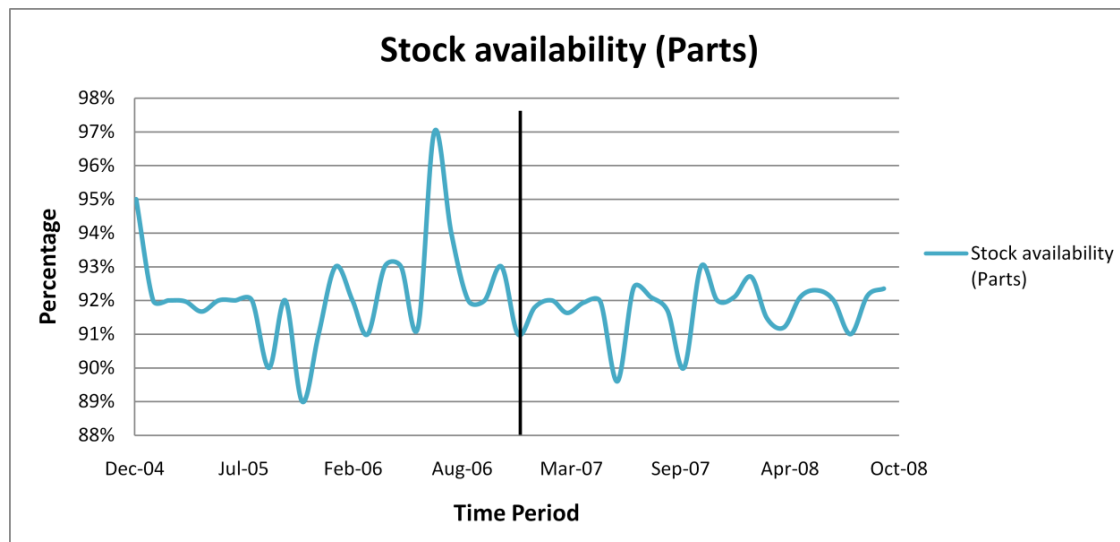
Figure 11: Stock Availability (Parts)

6.6 EMPLOYEE RETENTION – STAFF TURNOVER

Nine percent of the respondents felt that coaching has improved employee retention while ninety-one percent felt that it has not. A common theme was that employee retention was never a problem and has always been very low. The majority of respondents believed that those who left did so for disciplinary reasons. Many felt that coaching had enabled them to recognise and deal more effectively with personnel problems before they escalated to 'pitch point.' Central to this is the confidence that coaching has given them to approach their subordinates and work with them to resolve issues.

In terms of performance management, staff turnover figures show no improvement during either the pre- or post-coaching periods. The staff turnover figure of 0.006 percent is extremely low, and coincides with managements' perceptions that very few people leave the dealerships.

Finding 6: **Toyota Malawi Ltd observed a 0% improvement in employee retention while simultaneously observing that only 9% of the respondents felt that coaching has improved employee retention.**
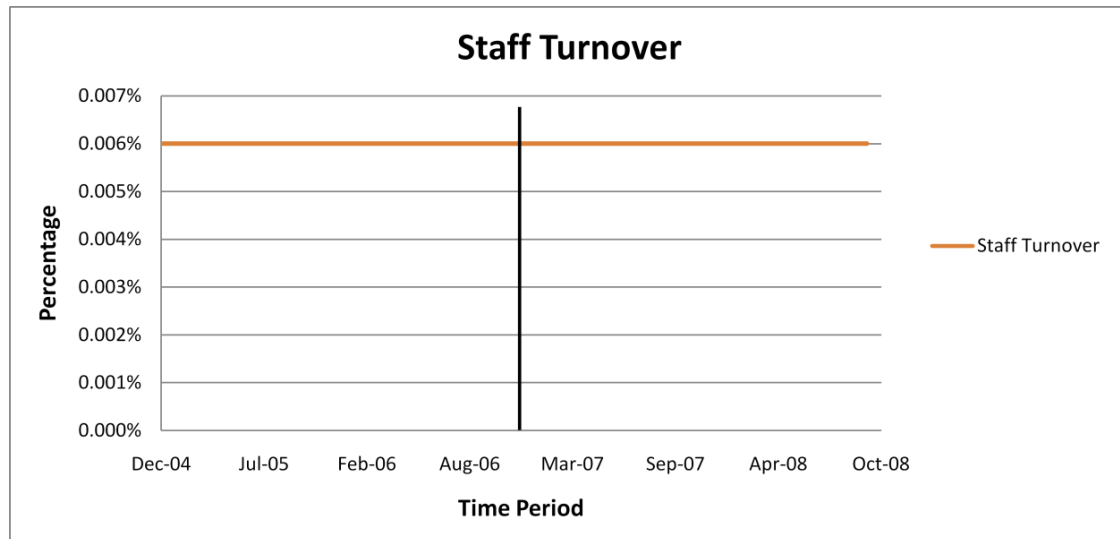
Figure 12: Staff Turnover

6.7 CONCLUSION

Toyota Malawi Ltd has shown an improvement in five of the six KPIs used by the evaluation model since commencing the Integral Coaching Initiative. Improvements in EVA, Division Productivity and Number of Kaizen Ideas are most noticeable, while only minimal improvements have been recorded in Stock Availability. While CSI shows an overall nine percent reduction in performance in the post-coaching period, this is due largely to a change in the CSI measurement methodology and teething problems in its implementation. CSI has, however, shown a slow but steady 25 percent improvement since changing to the new measurement methodology. Staff turnover figures show no improvement, and remain consistently low throughout both the pre- and post-coaching periods.
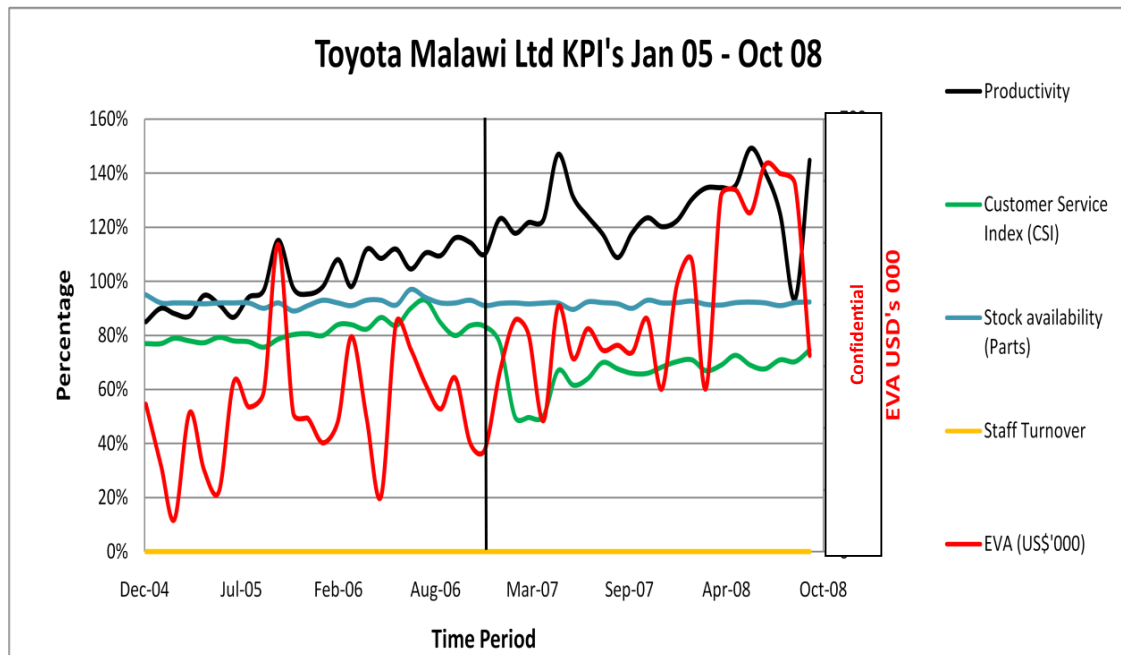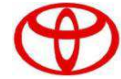
Figure 13: Toyota Malawi Ltd KPIs Jan 05 - Oct 08

7. RECOMMENDATIONS FOR FUTURE STUDY

7.1   INTRODUCTION

The most important and enduring management accounting innovation remains the return-on-investment (ROI) measure. It provides an "overall measure of the commercial success of each operating unit and of the entire organisation. Senior managers use the ROI to help direct the allocation of capital to the most profitable divisions." (Kaplan & Atkinson, 1998:06)

Businesses typically expect to receive a return on capital expenditure in the form of ROI. Coaching is considered a capital expenditure and, as such, should produce measurable returns in the form of quantitative or qualitative data. While this research report investigates the Impact of Integral Coaching on Toyota Malawi Ltd, the author recommends that further research be undertaken to determine the specific financial impact of Integral Coaching on Toyota Malawi Ltd. Further research should thus attempt to quantify this impact in the form of a Return on Investment financial ratio.

7.2   THE FINANCIAL RETURN ON INVESTMENT FROM COACHING

Findings from the American Management Association (AMA) and Institute for Corporate Productivity Coaching Survey 2008 showed that about four in ten respondents believed that two reasons for terminating coaching assignments were:

   a. The inability of certain employees to change (42%).
   b. The difficulty of measuring the return on investment (39%). (American Management Association, 2008)

"Literature indicates that relatively few organizations have formal procedures in place to measure coaching's success. McCormick (2007) polled 500 readers of *Personnel Today* and reports that 67% of respondents say their organizations don't measure coaching ROI, and an additional 20% say they simply don't know if coaching outcomes are measured. Furthermore, not only are formal measurement systems not yet in place, but many companies (some of which have used executive coaches for years) aren't even sure what they would measure if

they had to. In fact, 44% of respondents in McCormick's study (2007) believe it is impossible to measure the ROI of coaching at all, and, if their organizations must measure it, then anecdotal evidence of its effectiveness is all that's possible." (American Management Association, 2008:16)

7.2.1 THE SHERPA METHOD

The 2007 Sherpa Global Survey on Executive Coaching, sponsored by Penn State, Texas Christian University and Sherpa Coaching, provided new insight into the formal measurement of the financial value of coaching. Based on interviews with a group of coaches conducted by the Consortium for Coaching in Organisations (ICCO), Dr Jack Philips from the ROI Institute was able to develop a formula for calculating the financial ROI on executive coaching (Sherpa Global Survey, 2007). The formula is:

$$\textbf{ROI} = \frac{\textbf{(Benefits – costs)}}{\textbf{costs}} \times \textbf{100}$$

7.2.2 THE MEYER METHOD

Meyer (2007) suggests that organisations undertake a detailed five-step procedure to calculate financial return on investment using a similar formula that includes an additional discount figure based on non-intervention factors. Meyer's five steps are represented below:

Step 1: Construct a Cost Table. This should be an exhaustive account of all coaching intervention expenditure including needs analysis, design and development, outsourcing, facilitation, assessment, accommodation and administration.

Step 2: Construct a Benefit Table. This should "reflect the benefits derived the coaching intervention, as well as the figures attached to the improvement in outputs achieved [the benefit amounts can be derived] from comparing the pre-coaching performance outputs to the post-coaching performance outputs." (Meyer, 2007:80) Benefits can be reflected by increase in sales, avoiding turnover costs, increased productivity or even reduction in rework.

Step 3: Calculate the Initial ROI. Use the formula:

$$\textbf{Initial ROI} = \frac{\textbf{(Benefits – costs)}}{\textbf{costs}} \times \textbf{100}$$

Step 4: <u>Construct a Non-Intervention Factor Table</u>. Meyer (2007:81) cautions practitioners to be "realistic and present an accurate and fair picture of what really happened." While one can be sure that the coaching intervention was good, one cannot assume that it was only the coaching intervention that contributed to improved performance. One should "therefore decide to factor in all non-intervention aspects that could have impacted on the improvement in performance output." (Meyer, 2007:81)

One should consult with those members who best understand the performance area being measured and get "their views of the extent to which coaching impacted on the performance improvement, and whether other factors could have impacted on the increased outputs." (Meyer, 2007:82) Using this information construct a non-intervention table.

Non-Intervention Factors	Percentage Impact
Advertising campaign	5%
Organisational roll-out	3%
Incentive scheme	7%
Percentage impact of Non-Intervention Factors	15%
Percentage Impact of Coaching	85%

Table 17: Non-Intervention Factors (Meyer, 2007:82)

Step 5: <u>Subtract the non-intervention factors impact and adjust the ROI</u>. Meyer (2007:82) suggests use the following formula:

Adjusted ROI = Initial ROI - % Impact of non-intervention factors

In the above example it "means that managers are saying coaching contributed 85% to the performance improvement, while other factors (non-intervention factors) contributed 15%. The ROI is thus adjusted to reflect a more realistic figure of the impact of coaching." (Meyer, 2007:82)

7.3   RECOMMENDATION

The author recommends that additional research be conducted in order to measure the Financial Return on Investment of Integral Coaching at Toyota Malawi Ltd. The research method should typically follow the five step process outlined by Meyer in section 7.2.2 of this research report. See Figure 14 below for the proposed research methodology outline.

The process will require a rigorous financial analysis (quantitative data) of the Toyota Malawi Ltd Balanced Scorecard in order to isolate the relevant factors required to construct a comprehensive Cost Table and Benefit Table for use in Step 1 to Step 3 of Meyer's method. It is recommended that the researcher have an average to an above-average understanding of financial accounting and reporting methods.

The researcher should undertake one-on-one structured interviews (qualitative data) with the various Head's of Departments in order to construct a robust Non-intervention Factor Table for use in Step 4 and Step 5. Caution should be taken before and during the one-on-one structured interviews to clarify the financial management and mathematical abilities of interviewees as this will heavily bias the outcome of the calculation.
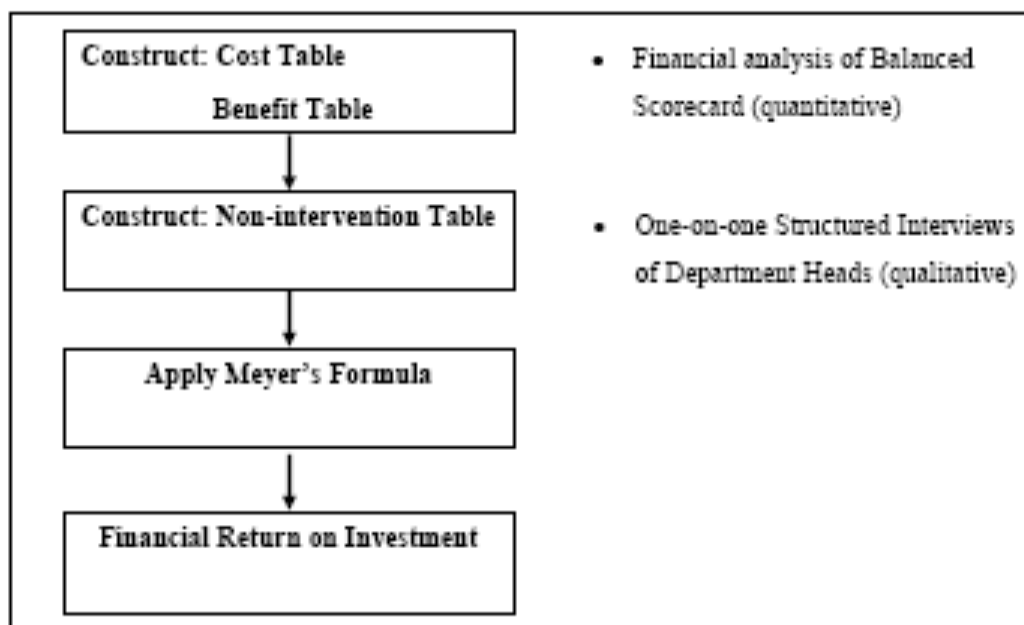
Figure 14: Proposed Research Methodology

8.   CONCLUSIONS

This research report measured the impact of integral coaching on Toyota Malawi Ltd using an evaluation model designed to incorporate both qualitative and quantitative data specific to the organisation. This was achieved by combining the results of eleven one-on-one semi-structured interviews and an onsite survey with the results obtained from an analysis of specific KPIs recorded in the Toyota Malawi Ltd Monthly Balanced Scorecard.

The analysis took into account data covering a forty six month period. This period consisted of two equal duration sections, namely; a pre-coaching period and a post-coaching commencement period. This was done to establish existing KPI trends prior to the Integral Coaching Initiative and to establish a base line against which to compare subsequent performance. Neither the one-on-one semi-structured interviews nor the onsite survey could be compared with any similar data as no such measurements were undertaken prior to the integral coaching initiative.

The research revealed six findings:

Finding 1:   Toyota Malawi has observed a 92% increase in EVA after the commencement of the coaching initiative while simultaneously observing that 82% of the respondents feel that coaching has improved their team's performance.

Finding 2:   Toyota Malawi observed a 35% improvement in the productivity of its Service Division after the commencement of the coaching initiative while simultaneously observing that 82% of the respondents feel that coaching has improved their Division's productivity.

Finding 3:   Toyota Malawi Ltd improved their number of Kaizen Ideas generated per person per month from an average of 0.02 pre-coaching to an average of 0.9 post-coaching, while simultaneously observing that 73% of the respondents felt that coaching has improved the quality of communication with their superior.

Finding 4: **Toyota Malawi Ltd observed a 25% increase in the CSI after the commencement of the coaching initiative, and the change to a new CSI measurement methodology (April 07) while simultaneously observing that 73% of the respondents feel that coaching improved the level of customer service.**

Finding 5: **Toyota Malawi Ltd observed a 1% improvement in stock availability and a 3% reduction in stock availability volatility since the commencement of the coaching initiative while simultaneously observing that 73% of respondents felt that coaching has improved management effectiveness.**

Finding 6: **Toyota Malawi Ltd observed a 0% improvement in employee retention while simultaneously observing that only 9% of the respondents felt that coaching has improved employee retention.**

This research report showed that Toyota Malawi Ltd achieved improvements in five of the six KPIs used by the evaluation method since commencing the Integral Coaching Initiative. The most noticeable improvements were observed in EVA (Team Performance), Productivity (Services Division), CSI (Customer Service) and Number of Kaizen Ideas (Communication) while only minimal improvements in Stock Availability (Management Effectiveness) were observed. Staff Turnover (Employee Retention) figures remained unchanged throughout the pre- and post-coaching periods.

While the model indicates a positive association between improved KPIs and the perception of improved performance, the reader is cautioned that association does not necessarily imply causation. This is in line with the results of the Global Survey of Coaching Practices which argues that respondents from organisations that use coaching more than in the past are also more likely to report that:

a. "Their organizations have higher levels of success in the area of coaching.

b. They're more likely to say that their organizations are performing well in the market, as determined by self-reports in the combined areas of revenue growth,

market share, profitability, and customer satisfaction." (American Management Association, 2008:vii)

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Toyota Malawi Ltd Staff, 06 – 08 October 2008:

Rosemary Mkandawire - Managing Director.

Louis Du Plessis - General Manager (Blantyre).

Salim Mpunga - Service Manager.

Mac Mwalabu - National Service Manager.

Patrick Malinga - Sales Manager.

Mavuto Mapemba - Management Accountant.

Andrew Katimba - Financial Manager.

Nargis Khan - National Human Resource Manager.

Noel Zigowa - Junior Financial Accountant.

Collings Mutambo - Internal Auditor.

Clifford Phiri - Service Manager.

10. APPENDICES

10.1 TOYOTA MALAWI LTD BALANCED SCORECARD DATA (RAW)

Toyota Malawi KPI's Prior to Coaching Initiative

	1	2	3	4	5	6	7	8	9	10	11	12
	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
EVA (US$'000)												
Productivity [Hours Sold in Workshop/Available Hours]	85%	90%	88%	87%	95%	91%	87%	94%	97%	115%	97%	95%
Communication through # of Kaizen ideas	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured
Customer Service (CSI)	77%	77%	79%	78%	77%	79%	78%	78%	76%	79%	80%	81%
Stock availability (Parts) [Service Rate]	95%	92%	92%	92%	92%	92%	92%	92%	90%	92%	89%	91%
Staff Turnover	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%

Toyota Malawi KPI's Prior to Coaching Initiative (continued)

	13	14	15	16	17	18	19	20	21	22	23
	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06
EVA (US$'000)											
Productivity [Hours Sold in Workshop/Available Hours]	98%	108%	98%	112%	108%	112%	105%	110%	109%	116%	114%
Communication through # of Kaizen ideas	Not Measured	Not Measured	Not Measured	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Customer Service (CSI)	80%	84%	84%	82%	87%	84%	90%	93%	85%	80%	84%
Stock availability (Parts) [Service Rate]	93%	92%	91%	93%	93%	91%	97%	94%	92%	92%	93%
Staff Turnover	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%

Toyota Malawi Ltd KPI's Post commencement of Coaching

	24	25	26	27	28	29	30	31	32	33	34	35
	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07
EVA (US$'000)												
Productivity [Hours Sold in Workshop/Available Hours]	110%	123%	118%	122%	123%	147%	131%	124%	117%	109%	118%	123%
Communication through # of Kaizen ideas	0.07	0.07	0.07	0.02	1	1	1	1	2	2	2	0
Customer Service (CSI)	83%	77%	50%	50%	50%	67%	62%	64%	70%	68%	66%	66%
Stock availability (Parts) [Service Rate]	91%	92%	92%	92%	92%	92%	90%	92%	92%	92%	90%	93%
Staff Turnover	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%

Toyota Malawi Ltd KPI's Post commencement of Coaching (continued)

	36	37	38	39	40	41	42	43	44	45	46
	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08
EVA (US$'000)											
Productivity [Hours Sold in Workshop/Available Hours]	120%	122%	130%	134%	135%	135%	149%	140%	125%	93%	145%
Communication through # of Kaizen ideas	0	1	1	1	1	1	2	1	0.54	1	1
Customer Service (CSI)	68%	70%	71%	67%	69%	73%	69%	68%	71%	70%	75%
Stock availability (Parts) [Service Rate]	92%	92%	93%	91%	91%	92%	92%	92%	91%	92%	92%
Staff Turnover	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%	0.006%

Confidential
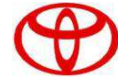
10.2 ONE-ON-ONE SEMI-STRUCTURED INTERVIEW FORM

Introduction

Good morning/afternoon Mr/Mrs .... I am Duncan Harrison from the University of Cape Town's Graduate School of Business in Cape Town, South Africa. I am currently doing research at Toyota Malawi Ltd to investigate the Impact of the Integral Coaching Initiative that you are part of. I would like to thank you for taking the time to talk to me. This interview should take approximately 30 minutes to complete and I would like to assure you that it remains completely confidential. I will take notes as we go along but please relax and enjoy the interview. I would like you to be as open and honest as possible as I am very interested to hear what you have to say and it will benefit me greatly. Do you have any questions before we start? If you are ready, let's begin.

No.	Question	Response	
		Yes	No
1.	Do you feel that the coaching initiative has improved your team's performance? What evidence is there to support your statement?		
2.	Do you feel that the coaching initiative has improved productivity of the division? What evidence is there to support your statement?		
3.	Do you feel that the coaching initiative has improved the quality of communication between yourself and your superior? What evidence is there to support your statement?		
4.	Do you feel that the coaching initiative has improved the level of customer service? What evidence is there to support your statement?		
5.	Do you feel that the coaching initiative has improved the quality of management effectiveness? What evidence is there to support your statement?		
6.	Do you feel that the coaching initiative has improved employee retention? What evidence is there to support your statement?		