

# Relationship Between Employee Coaching and Organizational Performance in Pakistan

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## ABSTRACT

*The development of employee coaching in organization reflects its possible use as an instrument to advance the improvement of human resources and of the organization itself. Nevertheless, this research analyzes the relationship of employee coaching and the organizational performance in Pakistan. This research basically discovers the consequences and barriers of gap between employee coaching and organizational performance. The purpose of this study is to explore the outcome of coaching in employees' development and organizational performance. Survey and interviews are conducted to gather the information require to finalize the result.*

## 1. INTRODUCTION

Businesses are constantly in search of opportunities to develop their competitiveness. One of the common and unique practices that can develop the human resource of a firm to create and benefit positions considering the competitors is coaching. Whereas (Mc Cracken & Heaton 2012) specified the importance of the coaching for a firm and for its employees, keeping in view that for developing a career it's an important tool (Parker, Hall & Kram, 2008).

The large number of growing organization use coaching (Bariett, 2007; Chang, 2008; Men & Aligood, 2009; Richard, Taylor, Barnett & Nesbit, 2002) because it's important and even a requirement to practice this activity at workplace (Sherman & Frease, 2004) and it's also effective in other ways such as in improving performance and correcting mistakes (Gravina & Siers, 2011) or resolving conflict at workplace (Raynor & Schyns, 2008).

Moreover, the supporters of this practice claim that the growing culture of coaching practices in the organization helps them in improving the performance of the organization as well as of the employees, the literature also provides some verified evidence of this practice & its effects (Agarwal, Angst & Magin, 2009).

Though still there is a need of empirical study on its process and its effects (Gray, Ekinci & Goregaokar, 2011). Because of the absence of proper experimental evidence the organizations are doubtful on investing in such practices. So for this reason the researchers are exploring the accurate conditions which can guarantee its effects and Provide the code of conduct through which organization can follow the desired procedure while implementing this practice. The gap which exists in this literature is the gap between employee coaching and the organizational performance if the employees of an organization are coached then why the performance of the organization is not improved. If it's proved that coaching can enhance organizational performance then this practice can be implemented as it would be justified by the research. Because of this coaching would be called the best practice an organization should do to improve the performance in any case of other factors (Ely & Zaccaro, 2010; Huselied, 1993).

Basically, the aim of this article is to determine the relationship between employee coaching and organizational performance and it's important. After justifying the use of coaching it is assumed that it will act as a bridge between the gaps and will fill up the conflicts. Further, as Feidman and Lankau, (2005) explains in few of the theoretical study that how and under which circumstances coaching works and achieve organizational effectiveness.

The main contribute of this research is that it gives a knowledge about coaching and explains its primary features and even explains at which code of conduct it improves organizational performance.

### **1.1. Problem statement:**

- To investigate the relationship between employee coaching and organizational performance in Pakistan.
- To examine how employee coaching will enhance organizational performance.

### **1.2. The significance of the study:**

- It's the best practice an organization should practice.
- Through this, the employee career grows even the productivity of the employee

increases.

- It brings advancement in work system.
- Through this organizations show that how much an employee values to them.

### **1.3. Objectives:**

- This study will provide the real code of conduct of coaching style.
- Through this, you determine how coaching enhance the employee productivity and even it affects on organizational performance.
- This study explains the relationship of employee coaching and organizational performance.
- Explains the ways of advancing the work system.

### **1.4. Research questions:**

- Determine the way gap will be full filled between employee coaching and organizational performance.
- How coaching will effect on employees career and their value in their organization?
- What are the ways which will bring advancement in the work system?
- How will coaching increase the organizational performance?

### **1.5. Limitation of the study:**

- This study is limited for the organizations that are using this practice to enhance their productivity level as well as to show their employee that they value them.
- The collection of data is restricted for the working employees of Pakistan.

## **2. LITERATURE REVIEW**

The employee is the key component of any successful system. The employee development is immediately related to employee performance. In this article researchers have studied that how employee development affects the employee performance, Because of this reason, large amount of money is invested by the organizations. This article is done by the qualitative research method. The article briefly explains about the effect of employee development on employee performance. The researchers studied and analyzed the past researches related to the subject and also introduced a proposed model along with the discussion and determination. (Hameed & Waheed, 2011).

The focal point of this research is on bringing in and examining the relationship between employee effectiveness and empowerment. The model in this article is based on four factors, training others, monitoring others as an employee, monitoring others and

assisting others. Employee effectiveness outputs are defined as employee satisfaction and employee's performance regarding their special efforts. Structural equation modeling (SEM) analysis was used for model testing based on 23 questionnaires. The model is analyzed through confirmatory approach, minor revision was made after analysis, after modification, the model can be used for assessing the relationship between the aimed conducted. (Mehrabani & Shajari, 2013)

The purpose of this research is to study the issue of coaching in employee growth and organizational functioning. The conceptual model of Joo (2005) is being widened by adding social exchange theory and the imagination-based aspect, so this allows us to investigate coaching to produce a model. The samples of 498 Spanish firms were acquired for testing the model. Through structural equation modeling Utrilla, Grande and Lorenzo, (2015) examined the hypotheses. The research discovered that through coaching both individual performance and organizational performance are affected. The resource-based opinion and social exchange theory is the right framework to examine the effects of coaching. Coaching helps firm to improve the performance of their employee and even the competitive positions of the firm.

This article discusses the relationship between work climate, human resource management and organizational performance in the branches or retail bank. Gelade and Ivery, (2003) extended the past research on group-level HRM-performance and Climate performance Relationship and study how they are joint antecedents in business performance. Considerable correlation is their between HRM, work climate and business performance. The data are depended on the mediation model in which the effects of business performance and climate can't be clarified by human resource management factors. DMU model is used in this research.

Past research has accounted argumentum result on yes or no foreign –owned organizations deviate from indigenious organizations with respect to their HR policies and activities carried out. This article examines and tells us about the comparative use of HPWS (High-Performance Work System) by Irish-owned versus foreign-owned organizations. Guthrie, Flood, Liu and Curtain, (2008) inspected the implications of HPWS used for organizational effectiveness. The result tells us the relationship between organizational effectiveness and country ownership is dependent upon the use of HPWS. Researchers took the sample size of 95 companies of Irish and compared it from German, UK and US/Canada separately. They found out that 16% of the foreign-owned

companies responded response from these 3 countries. The result indicated that in general, very less percent of Irish firms use HPWS relatively the other companies which are foreigner-owned.

This article is about the relationship between HIWS (High Involvement Work System), human resources practices, employee well-being and company performance. The relationship between company performance and HR practices took more attention of the author. Essentially the aim of this survey is to analyze the impact of HIW practices on employee well-being and company performance and to calculate how company performance and employee well-being is concerned. The collection of data is done by the metal and retail trade industry's employee and managers of Finland. Vanhala, Bonsdroff & Janhonen, (1999).

Although many researchers have distinguished the significance of team leadership adaptability, some of the researchers have also examined that what allows leader adaptability and what are the things that relate leader adaptability and team performance. The purpose of the article is to find how a team performance is impacted by a team leader. Further Morgeson, Petersen, Humphery and Mannor, (2009) have discussed that how the leaders adapt the different changes that team face and characteristics that builds the adaptive power of a leader. Through this researchers have found out that how much a leader will be adaptable and flexible that much he will be a source of effective and successful team.

Though coaching can ease employee performance and development, but the stark truth is that that executive often varies substantially in their productivity to coach their assistants. To bring into view this issue, Heslin, Vandewalle and Latham, (2006) drew and created upon a model of social psychology research that discovered that IPTs (Implicit Person Theories) about the flexibility in the attribute of a person (e.g., ability and personality) have an effect on one's readiness to lend a hand of help to others. Particularly, personalities holds an "entity theory" that the attributes of the human are unalterable and negative, which lead unfavorable behavior of human in developing and improving others, on the other hand "incremental theory" leads in the development of human attributes. In this article three studies are examined that how a managers' Implicit Personal Theories (IPTs) influence in managing coaching of their employees. A study of longitudinal field discovered out that manager' IPTs calculates employee assessment of their successive employee coaching. In another field of study this finding was replicated

and in some fields, experimental study is done which discovered that managers' IPTs can be incremented related to "entity theory" through the usage of self-persuasion principles which leads to readiness to coach an employee of poor performance, as well as suggesting about the quality and quantity in improving employee performance.

Association between employee work-related outcomes and managerial coaching behavior is also examined. A collection of data was conducted from 482 employees of a Korean public firm and the analysis of the data is done in a two-step approach of structural equation modeling. The sample data was supported by hypothesized conceptual model. Finding provides hypothesized conceptual model a practical support of outcome in an organization regarding managerial coaching. This article has given the evidence of effect of managerial coaching on employees' behavior, their attitude at work and performance. Kim, Egan, Kim & Kim. (2013).

The capability of a human resource is rare, valuable, unique and hard to imitate because of this reason it's crucial to maintain competitive advantages. The capability of human resource is the best way to which a performance of the organization can be enhanced if appropriately used. This article exposed a perspective process of an integrated model which broadly considers the main variables of organizational effectiveness and human resource capability. In addition, Company-A a state-owned company was taken as an example to conduct a practical research. Consequently, the authors investigated the effects of internal customer commitment and satisfaction, the capability of human resources and organizational effectiveness. Finding suggested about leveraging capability of human resource through practical guidance in order to enhance organizational performance. Chuang, Liu & Chen. (2014).

It's about relationship test between the culture of the organization which indicates the crucial factors of organization effectiveness and satisfaction of the customer by service-unit information from the health resort of two. In this article Ambro and Praprotnik, (2008) planned to reveal the effect of customer service orientation on the factors of the organization from the point of view of employee and customer within the sitting of two health resort. As per there finding it is expressed that the highest important factor of organizational effectiveness is to satisfy the customers' need, adaptability, performance, and mission through the comparative degree. Some effects are like uniform which includes a performance for customers and employees, whereas other factors vary accordingly depending upon the organization and employee or customer group. For

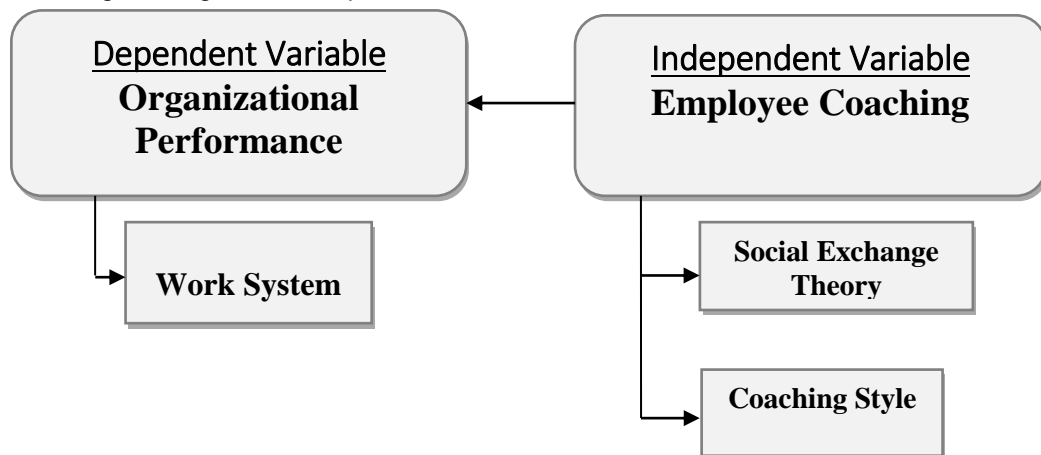
innovation, there is no space in the context of this article, keeping the fact aside that no alike views are shared by the customers and employees about organizational effectiveness. Competitive advantage can help organizations in developing a service organization effectively.

### 3. THEORETICAL FRAMEWORK

#### 3.1 Definition of Coaching

Many authors have defined coaching in many different ways in different articles. Basically, coaching is to unlock the talent of an individual in order to increase their performance. It's not being taught rather it helps in learning Whereas Peterson, (1994) believes that coaching is a systematic body through which furnish individuals with knowledge, tool (Gill & Carrillo, 2013) and opportunities that they require for personal development and for increasing their productivity level.

Following is the framework which defines the relationship between employee coaching and organizational performance



#### 3.2 Description

This framework defines that when an employee is coached its communication skill, productivity level, knowledge and behavior also improves as well as if he is a good learner then he carries all the abilities to be a key employee of the organization and eventually this will lead to advancement in the work system of the organization and will also increase organizational performance.

#### 3.3 Methodology and Hypothesis

The quantitative research method is used in this research to deal with the "relationship of employee coaching and organizational performance in Pakistan". Data

which gathered is non-numerical data with a focal point on collecting of verbal data. The detective approach method is utilized to uncover the answers of the questions raised. The primary data method was chosen to collect the information as a part of which questionnaire was developed.

The sample size for the collection of data was 100. All the data is collected from the working employees of different firms all over Pakistan. Questionnaire method is used to collect the data needed for the research purpose. The target market was the employees and the organization. The data was taken took from 20 different renowned organizations. The sample's confidence level is 95% and the reliability ratio is 0.683.

The mean age of the employees is 35 years old. Two variables were taken in focus to analyze my data which are qualification and age of the employees. The division of the model firms is: commerce and services (50%), industry (36%) and primary sector (14%). All over 38% of the employees says that coaching is implemented in their organization and they are also benefited by that eventually which leads to high organizational performance.

### 3.4 Hypothesis:

*H<sub>A1</sub>: There is a relationship between Work System and Social Exchange Theory.*

*H<sub>O1</sub>: There is no relationship between Work System and Social Exchange Theory.*

*H<sub>O2</sub>: There is a relationship between Work System and Coaching Style.*

*H<sub>A2</sub>: There is no relationship between Work System and Coaching Style.*

## 4. DATA ANALYSIS

### Frequency Tables

#### 4.1 Coaching Creates Productivity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	6	5.7	6.0	6.0
	Neutral	5	4.8	5.0	11.0
	Agree	64	61.0	64.0	75.0
	Strongly Agree	25	23.8	25.0	100.0
	Total	100	95.2	100.0	

Coaching Creates Productivity is the dependent variable which is linked to work system. 64% of the people agree with the statement that employee coaching creates productivity which enhances organizational performance. 25% of the people strongly



agree with that and only 6% of the people disagree with the statement it's because they don't want to improve or they don't want to accept change. Whereas 5% of the people are on neutral side.

#### 4.1.1 Two-Way Communication

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.0	1.0	1.0
	Disagree	7	6.7	7.0	8.0
	Neutral	26	24.8	26.0	34.0
	Agree	44	41.9	44.0	78.0
	Strongly Agree	22	21.0	22.0	100.0
	Total	100	95.2	100.0	

Two-Way Communication is the independent variable which is linked to Social Exchange Theory. 44% of the people agree and 22% of the people strongly agree with the statement that Two-Way Communication enhances the effect of employee coaching whereas 7% of the people disagree and 1% of the people strongly disagree with the statement. After interviewing its delivered that the supervisors are cooperative with their colleagues and they want their colleges to be their successor.

#### 4.1.2 Willingness Enhance Effect of Coaching

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	2.9	3.0	3.0
	Disagree	4	3.8	4.0	7.0
	Neutral	22	21.0	22.0	29.0
	Agree	42	40.0	42.0	71.0
	strongly agree	29	27.6	29.0	100.0
	Total	100	95.2	100.0	

Willingness Enhance Effect of Coaching is an independent variable which is linked to Coaching Style. 22% of people are neutral on this statement however 42% of people agree and 29% of people strongly agree with this statement because one of the supervisors said in their interview that "if an individual will have a will to do something then only he can achieve its goals." On the other hand 4% of the people disagree and 3%

of the people strongly disagree with the statement because they think that if their organization is coaching them so they have to learn anyhow, there is no space of willingness here.

#### 4.1.3 Correlation Table

		Coaching Creates Productivity	Two-Way Communication	Willingness Enhance Effect of Coaching
Coaching Creates Productivity	Pearson Correlation	1	.224*	.281*
	Sig. (2-tailed)		.025	.005
	N	100	100	100
Two-Way Communication	Pearson Correlation	.224*	1	.126
	Sig. (2-tailed)	.025		.212
	N	100	100	100
Willingness Enhance Effect of Coaching	Pearson Correlation	.281*	.126	1
	Sig. (2-tailed)	.005	.212	
	N	100	100	100
* . Correlation is significant at the 0.05 level (2-tailed).				

The above table defines the correlation of the variables, as the correlation between the dependent variable (coaching creates productivity) and independent variable (two-way communication) is 0.224 which means that there is a Weak Positive Correlation between the variables which can also be represented as if the value of one variable will increase than the value of the other variable will also increase. This shows that if the employee of the organization will be coached then the coordination between the supervisors and the employees will improve.

Whereas the correlation between the dependent variable (coaching creates productivity) and independent variable (willingness enhances the effect of coaching) is 0.281 which means that there is a Weak Positive Correlation between the variable which can also be represented as if the value of one variable will increase than the value of other variable will also increase. This shows that if the willingness of the employee will increase then the absorbing power and the interest towards coaching will also increase.

However the correlation between independent variable (two-way communication) and independent variable (willingness enhance effect of coaching) is 0.126 which means that there is a slight independence positive correlation between the variables which is

also represented as that if a variable will increase the other variable will remain be constant or will slightly increase but will never decrease. This shows that if coordination between the subordinates will increase then the willingness for coaching will remain be constant or will slightly increase.

## 4.2 Hypothesis 1

### 4.2.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.224 <sup>a</sup>	.050	.040	.71917
<b>a. Predictors: (Constant), Two-way communication</b>				

### 4.2.2 Coefficients<sup>A</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.390	.312		10.863	.000
	Two-way communication	.182	.080	.224	2.274	.025
<b>a. Dependent Variable: Coaching creates productivity</b>						

### Coaching creates productivity = 3.390 + 0.182 Two-way communication

If one unit increase in the independent variable (two-way communication) with 0.182 unit will also increase independent variable (coaching create productivity) and the dependent variable (coaching creates productivity) is increased with 3.390 keeping an independent variable (two-way communication) zero.

The significant value is 0.025 which means that the null hypothesis is "Reject" which represents that there is a relationship between the variables and it is relatively gives interpretation as significant relationship between dependent variable (coaching creates productivity) and independent variable (two-way communication) because the confidence level is 5% and the p= 0.025 which is less than 0.05.

### 4.3 Hypothesis 2

#### 4.3.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.281 <sup>a</sup>	.079	.070	.70815

#### 4.3.2 Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.250	.295		11.016	.000
	Willingness enhance effect of coaching	.213	.073	.281	2.899	.005
a. Dependent Variable: Coaching creates productivity						
b. Predictors: (Constant), Willingness enhance effect of coaching						

**Coaching creates productivity = 3.250 + 0.213 willingness enhances effect of coaching.**

One unit increase in the independent variable (willingness enhances effect of coaching) with 0.213-unit increase independent variable (coaching create productivity) and the dependent variable (coaching create productivity) is increased by 3.250 keeping an independent variable (willingness enhance effect of coaching) constant.

The significant value is 0.005 which means that the null hypothesis is “reject” which represents that there is a relationship between the variables, relatively gives interpretation as significant relationship between dependent variable (coaching creates productivity) and independent variable (willingness enhance effect of coaching) because the confidence level is 5% and the  $p=0.005$  which is less than 0.05.

## 5. CONCLUSION

The precious asset an organization possesses is their employees. The failure and success of the organization depends on the performance of the employee. This research is based on analyzing the relationship between employee coaching and organizational performance that how coaching of employees raises the performance of

the organization. Many of the businessmen are interested in investing on coaching activity and they are empowering, but the gap is still not fully satisfied because it exists between colleagues and supervisor.

Although there is willingness in employees to learn and they want to change, but uncooperative supervisor and unaccountable weight of work don't give a chance to employees to amend. Quantitative method is chosen for this research. Interviews were conducted and questionnaire methods were used for the assembling of information needed for this research. Managers should also make organization realized that coaching is a very important factor for holding an effective human resource that will institute change in the work system, they need to learn and take some coaching in order to bring advancement in the work system of the organizations of Pakistan. To analyze the data I have used correlation and regression method. The results are moderate and the reliability ratio is also 0.683.

The basic content of the paper is to possess the positive effects of coaching and to expose the barriers which lessen the effect of coaching. All over it is shown that coaching is the positive activity an organization should practice to increase the productivity level of the employees which eventually will increase the performance of the organization.

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