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EAGLE:
The Impact of Coaching on Organisational Change

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by
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This report is not confidential and it may be used freely by the Graduate School of Business. To maintain anonymity, however, the name of the company and the people within it has been changed.

The researcher would like to express sincere thanks to the Eagle organization for granting me permission and enabling me to have access to employees to conduct interviews as a means of gathering the data required for this case study. The process of formulating this case study has provided an incredible learning opportunity for the researcher and facilitated greater understanding and knowledge about the benefits of integral coaching to an entire organization.

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I certify that this report is my own work and that all references that are used are accurately recorded.

Signed: ……………………
               Moira Farr

THE IMPACT OF COACHING ON ORGANISATIONAL CHANGE

ABSTRACT

In order to manage the ongoing global and local changes that challenge organizations today, strong leadership is required. This case serves to illustrate how a South African fast moving consumer goods company was able to use integral coaching to transform itself from a conservative, management-controlled company, into an innovative leadership-driven organization.

The case provides a practical example of how this company used integral coaching to develop its leadership throughout the organis.zation.. Employees were interviewed during the research process to ascertain their perspective of the impact of the coaching initiative in relation to themselves and the organisation. A summary of the impact of the coaching programme is represented by a systems diagram based on the themes identified from interview analysis. The case helps students to understand the role of using integral coaching to enhance leadership and its significance in enabling a company to manage the change required to be able to encourage new ways of thinking and learning.

KEY WORDS:

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1 Introduction

In the age of globalization and increased communication, many companies are struggling to adapt to modern ways of doing business. This shift often requires changing from a local centralized business to a global and decentralized organisation. In order to be effective in this new environment, management within the organization needs to be able to demonstrate sufficient leadership in order to be able to manage this change at individual, team and organizational levels. According to Bacon (2003) the main purpose of coaching is to facilitate change. This is due to it being regarded as an effective process to enhance performance as well as facilitate an individual's ability to manage organizational change (Witherspoon and White, 1996).This case study research report analyses the use of coaching as a leadership development tool in a company experiencing significant change both from a legislative and cultural perspective.

1.1 Objectives

The objective of this research is to integrate the theory of coaching as a leadership development tool and highlight the challenges and benefits that Eagle has experienced in implementing an integral coaching programme across all management levels within the organization. The case aims to enable students to understand how an integral coaching initiative can be designed and implemented in a South African context, and to make it possible for them to adapt this learning to the leadership development needs in their own evolving organizations.

1.2 Structure

The first aspect of this research report is a description of the methodology used to obtain the required data for this case. The methodology section is followed by a review of the relevant literature about coaching and leadership development. The Eagle case study is then presented, in order to enable students to have a practical example to apply the theory that they have learnt. The teaching notes support the case study by summarizing the case and providing discussion questions and answers to facilitate using this case in a teaching setting.

1.3 Relevance

The role of leadership cannot be underestimated in enabling organisations to cope with the uncertainty of change. Providing insight on how coaching can enhance leadership within this context, is an important learning tool for students.

There is significant writing on coaching and the impact that it has on the individual and relationships between people, but there is little understanding as to the impact that it can have on teams and organizations as whole (Turner, 2006). There are some published case studies, but it is beneficial for South Africans to understand the impact of a broad-based coaching initiative within a local context. This will enhance their knowledge of the impact it can have on leadership development and organisational learning. Having these skills can facilitate their ability to be more flexible in their understanding of change implications as well as enable them to be able to adapt.

Eagle provides an innovative example of a South African company that is committed to a leadership agenda in which coaching is the pivotal tool to open up possibilities for individuals, teams and the organisation. Students will be able to learn from Eagle's implementation of the coaching programme and from the learning that has taken place within the organization.

2 Research Methodology

The research methodology is that of an exploratory case study. According to Yin ((2003: p13), a case study is an empirical enquiry that:

> "investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident"

Eagle provided the real life context that Yin (2003) describes, within which the integral coaching programme as a means to developing leadership in order to respond to change will be investigated. Schramm (1971 in Yin 2003) states that a case study should aim to highlight a decision or numerous decisions in respect to why they were taken, how they were implemented and with what results. This research report asked the following three questions:

- Why did Eagle implement the One Leader programme?
- How did they implement the programme throughout the organization?
- What have the results and implications of the programme been with specific reference to leadership development in the context of managing change?

Exploratory research is described by Saunders et al (2003) as being a method which enables the researcher to find out information and be able to seek out new insights. This approach tends to result in an initial broad focus to the research which becomes progressively narrower as it progresses (Saunders et al, 2003). One of the implications of this type of research given this aspect of its progression is that it is flexible and adaptable which can be regarded as an advantage.

2.1 Primary Data: Qualitative Research

An initial unstructured interview was conducted with two senior Human Resource managers at Eagle, to provide the context for the programme and the reasoning behind

initiating the One Leader initiative into the organization. This understanding into the background and the context within which the programme was both developed and implemented provided insight into formulating the framework for the semi-structured interviews. The semi-structured interviews were also derived from the themes relevant to the case that have been identified from the literature (Saunders et al, 2003). The interview followed a certain set of questions which have been derived from the protocol of the case study (Yin, 2003). A qualitative semi-structured interview was piloted with one of these HR managers and following feedback from this pilot, the final framework for the interviews was designed. Semi-structured interviews were conducted with Eagle employees at executive and middle management level, as well as with one management trainee who did not have direct managerial responsibilities. Interviews were conducted at head office as well as at one of the regional offices in Montague Gardens to gain a broader understanding of how the programme has been disseminated in the organization. According to Saunders et al (2003) interviews are the most appropriate form of data collection for an exploratory research methodology. This type of interview is also appropriate within the context of this case study due to the limited amount of time available by management for the actual interview (Yin, 2003). To enhance the validity of the information it is important to interview as many stakeholders as possible in order to limit the level of bias within the case (Yin 2003).

Given the nature of interviews and the personal perceptions and attitudes that were being defined, the order of the questions was sometimes changed and extra pertinent questions were added or left out as deemed appropriate. According to Saunders et al (2003) it can be appropriate to omit or alter the order of questions depending on the focus of the particular interview (Saunders et al, 2003).

2.1.1 Data Collection

All interviews were recorded and notes were also taken. The information from the interviews was collected through tape-recording and note-taking. As recommended by Saunders et al (2003) key points were summarized from each interview and used as a guide for later interviews. The interviews were transcribed and coded in order to identify the common themes that emerged for the case study. The key insights gained from the interview were be clustered to provide main measures of performance in order to generate an affinity diagram in order to identify the drivers, links and outcomes of change (Day, 2006). The themes that were determined, were linked with the findings of a previous research report on the outcomes of the One Leader programme in 2005, for continuity. This assisted in determining how coaching impacted on the system and provide a framework on which to base the case study.

2.1.2 Advantages of the Exploratory Case Study

The advantage of the semi-structured interview is that it enables a degree of flexibility and ability for the researcher to adapt which is required for the exploratory case study (Saunders et al, 2003). This flexibility enables the researcher to relate the questions more specifically to the relevant organisational context for which they have been designed (Saunders et al, 2003). Semi-structured interviews also enable the researcher to probe for further detail if required to get a more in-depth answer (Saunders et al, 2003). The other advantages of using interviews for primary data collection are that they enable face to face encounter with the participants of the study which can facilitate co-operation from the participants especially when performed in their natural setting (Ronnie, 2006). Interviews also allow for large amounts of data to be collected within a relatively short period of time and enables immediate follow up for clarity of issues (Ronnie, 2006).

2.1.3 Limitations of the Exploratory Case Study

Semi-structured interviews can be biased by the nature of their format (Saunders et al, 2003). This bias can either be from the interviewer or interviewee (Saunders et al, 2003). Bias can be overcome by ensuring that sufficient preparation has been done prior to the interview to reduce assumptions being made during the interview and to communicate the purpose of the research to the interviewee to reduce any ambiguity about the process (Saunders et al, 2003). The bias can also be further reduced by interviewing as many stakeholders as possible (Yin, 2003). Further limitations can be that there can be potential misunderstanding due to language or cultural differences and the information is dependant on the honesty of those providing the data (Ronnie, 2006). Given that interviews are based on personal interpretations of the situation, the analysis of Eagle may not be generalizable to other organisations in a specific sense and it may thus be difficult to replicate (Ronnie, 2006).

2.2 Secondary Data

Secondary data includes both raw data and published summaries (Saunders et al, 2003). The secondary data to be used in this research report will include Eagle's annual reports, financial reports, summaries and presentations regarding their One Leader, Living Voice and L'Avenir strategies as well as summaries of their culture audit. A research report conducted by MBA students in 2005 which analysed the outcomes of the One Leader programme with regards to the impact it had on individuals, teams and the organisation was also used for secondary data, and as a reference point for clustering the insights from interviews.

The advantage of using secondary data is that it can be used to compare and contextualize the primary data obtained (Saunders et al, 2003). Secondary data also provides permanent information that can be open to public scrutiny (Saunders et al, 2003). One further advantage of using secondary data is that it can result in the discovery of unforeseen or

unexpected information to consolidate the findings from the primary data collection (Saunders et al, 2003). The disadvantage of using secondary data is that it has not been collected for the same purpose as this study and thus may not meet the objectives of the research report and there is no control over its quality (Saunders et al, 2003).

2.3 Scope and limitations of this study

The scope of this research has been limited to a literature review and analysis of coaching within one organization, Eagle. The interviewees were selected by Eagle management and although the criteria for interviewees was determined by the researcher, the access to employees was slightly limited. The views reflected in this case are thus restricted to the employees that the researcher had access to. A further limitation to the study is that the semi-structured nature of the interviews could have introduced a degree of bias as focus on questions could have shifted during different interviews based on the interviewee's responses.

The adopted methodology provides a framework for a detailed case study of an extensive coaching initiative aimed at enhancing the leadership potential at individual, team and organizational levels. The report is based on theoretical principles identified in relevant literature.

3 Literature Review

"Thoughtful organizational leaders are hungry for a new paradigm that will enable their organizations to flourish in the complexity of a rapidly evolving global culture. They are searching for something beyond conventional understanding. They want learning that will produce deep and sustainable change, which includes the necessity for recurrent adaptiveness in an increasingly unpredictable and competitive environment." (Sieler, 2003a:xiv)

The framework for this case focuses on the role of leadership in managing change within an organization and how coaching has enabled the company as well as individuals to lead and to manage this change more effectively. The impact of an extensive coaching programme with regards to leadership development and individual learning within the context of organizational change, needs to be explored from a theoretical perspective in order to contextualize the practical aspect of the case study. Literature pertaining to coaching, leadership development and individual learning during times of organizational change will be reviewed as the background to the issues experienced at Eagle.

The model below, provides a framework for the issues that will be discussed in the literature. This model demonstrates how coaching provides opportunity for organizational transformation and team development through a process of feedback and learning. The coaching initiative that was implemented at Eagle, was driven by a new strategic vision that emphasized the importance of developing leaders throughout the organisation. The aim of the initiative was that it needed to support individual learning in order to create more effective teams that could deliver the strategy at an organisational level. The vision was that this would be accomplished by creating a coaching culture within the organisation. The focus of the literature review will thus be to introduce the concept of coaching and the relevant learning principles that are effective in ensuring the transfer of coaching skills. The role of coaching in leadership development and in facilitating change will also be explored.
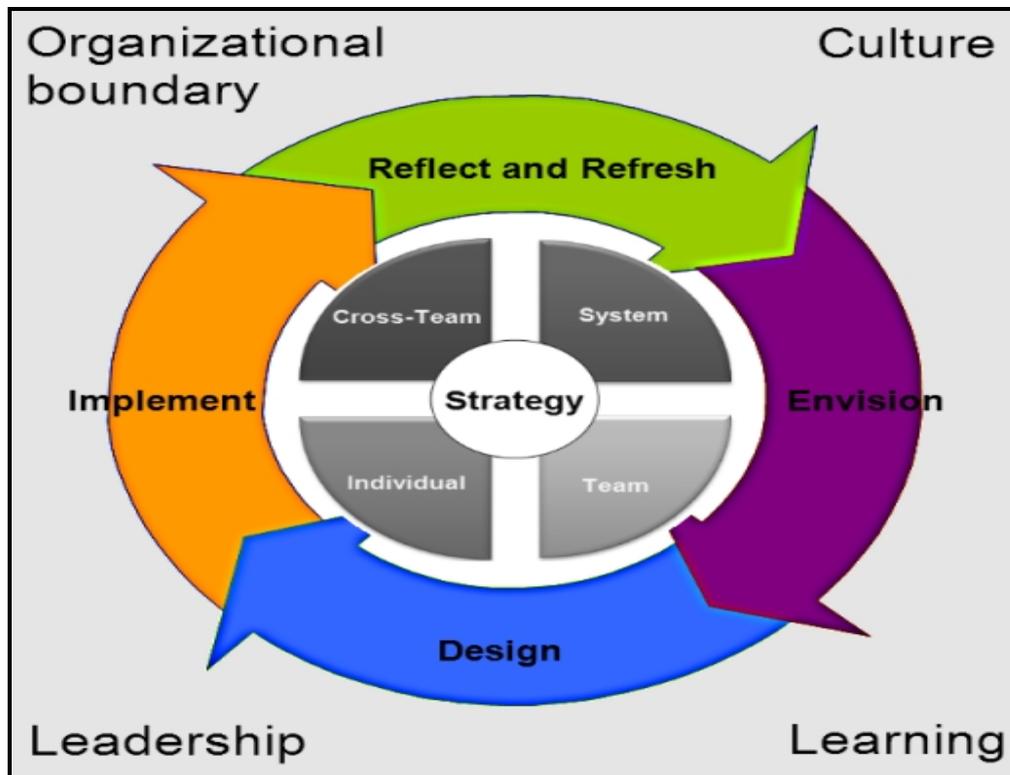
Source: Craig O'Flaherty, 28 November 2006

3.1 Integral Coaching

Executive coaching has become an increasingly popular trend in organizations recently (Nowack, 2003). Coaching is regarded as being an effective tool within an organization as it provides concepts that are context relevant, has practical content and it is personalized to the individual or organization (Zenger and Stinnett, 2006). There are different approaches and processes regarding coaching, which can create some confusion around the origins and outcomes (Nowack, 2003). Eagle utilized an integral coaching approach, which has variously been categorized as 'generative' or 'ontological' coaching (O'Flaherty and Everson, 2005a). This review will therefore focus on this form of executive coaching.

There is limited empirical research to support the theoretical foundations of integral coaching (Everson et al, 2006). Sieler (2003b) states that in order for coaching to gain credibility as a profession, it requires coaching practice to be guided by rigorous and substantive theory. According to Sieler (2003a) Ontology is regarded as the study of being, and provides such a framework to further the development of coaches. In Ontological coaching, a person's way of being is seen to be the driving influence of their behaviour (Sieler, 2006a). He further states that one's performance and effectiveness are also shaped by way of being. Way of being is a representation of the three interrelated spheres of human existence, as depicted in the diagram below.
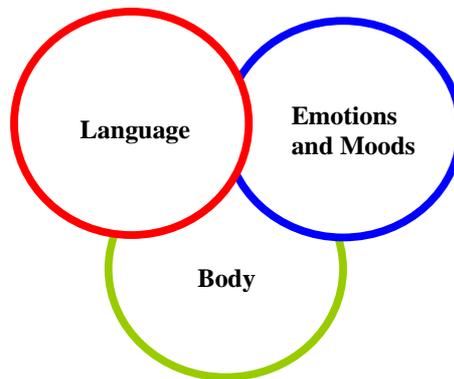
Source: Sieler (2006b:1)

Language is used in order to produce outcomes and generate realities, and as such is regarded as the fundamental human technology (Sieler, 2006b). Emotions and moods are a predisposition for action (Sieler, 2006b) and being able to manage moods and emotions is a core competence within the work environment. The inclusion of the body is based on the fact that our body is always a part of who we are and that a person's way of being is actually embodied in entrenched behaviours and postures (Sieler, 2006b). The body is constantly present in our interactions with others and in our perception of ourselves (Sieler, 2006a).

The founder of ontological coaching is regarded as being Fernando Flores (Sieler, 2003a). Flores was influenced by the works of the philosopher Maturana focusing on perception, cognition, language and communication (O'Flaherty and Everson, 2005a). He integrated this work with that of the existential philosophy of Heidegger and the language work of Searle to form the basis of executive coaching (Sieler, 2003b). Flaherty (1999) has expanded this focus to include the phenomenology of Merleau-Ponty and the work of the philosopher Wilber (O'Flaherty and Everson, 2005b). This resulted in a more inclusive approach to coaching, which defines integral coaching as follows:

> "Integral coaching is what arrives when two people develop a professional relationship that is grounded in trust and respect, directed towards a clear set of outcomes, guided by presence and informed by broad models of what it means to be a human being. It is a methodology…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. "
>
> (Flaherty and Handelsman, 2004: 2)

The primary outcomes of integral coaching are competence and fulfillment (Flaherty, 1999). Competence differs from a goal in that it is a 'capacity that endures' (Flaherty and Handelsman, 2004:3) and enables us to achieve goals. Fulfillment is an experience that enables an individual to feel that who they are becoming is meaningful and worthwhile (Flaherty and Handelsman, 2004). This sense of fulfillment is beneficial to organizations as employees who are fulfilled tend to stay longer and generate greater results (Flaherty and Handelsman, 2004). There are two other outcomes associated with integral coaching which are self-correction and self-generation (Flaherty, 1999). Self-correction relates to the individual being able to identify when they are not performing well and when they can make necessary adjustments to their actions independently of the coach (Flaherty, 2005). Self-generation is about individuals who have been coached being able to continually find new ways to improve through practicing more or learning a new activity (Flaherty, 2005).

Integral coaching has arisen because of the fact that it is a creative response to cultural and organizational circumstances which have driven the need for it (Flaherty and Handelsman, 2004). They see one of these circumstances that has enhanced the need for coaching as being the global transition and disruption caused by social, technological and environmental change. A further circumstance that is in relation to the global transition is that of the challenge to enhance compassionate leadership in order to sustain organizational transformation (Flaherty and Handelsman, 2004). Boyatzis et al (2006) go beyond the normal view of coaching as a means of developing leaders, and offer a new perspective that it is actually in the process of coaching others, that leaders are able to exercise this compassion and increase their own sustainability.

3.2 Coaching and Leadership Development

Leadership involves the creation of a strategic vision for an organization, the communication of this vision and the ability to inspire, motivate and align others within the organization to achieve this vision (Cacioppe, 1998). One should also recognize that leadership is not just attributable to position, but that it can exist at all levels within an organization (Sieler, 2006c). The constantly evolving and changing business environment that confronts today's business leaders, challenges them to determine what type of personal skills and knowledge they will need to demonstrate in order to manage these changes (Everson et al, 2006). Boyatzis et al (2006) state that theories of leadership and leadership development can become more holistic if they incorporate psychophysiological interactions. This reinforces the argument that Sieler (2003a) presents that suggests that there should be a greater focus on the individual and human soul in the workplace.

Executive coaching, combined with 360 feedback is one of the fastest growing executive development options within global companies in the last 10 years (Thach, 2002; McDermott et al, 2006). According to Zenger and Stinnett (2006) more than 70 percent

of formal leadership development initiatives in organizations use coaching as part of the development mix. One of the reasons for this can be linked to the fact that previous leadership theory (transformational or charismatic) conceptualizes leadership as an individual-level skill and ignores the complexity associated with the interpersonal relations within an organization (O'Flaherty and Everson, 2005b). It is important to have a clear sense of what leadership is, as a lot of development approaches to leadership are based on a person's own interpretation of leadership (Boyatzis et al, 2006). According to Arthur et al in Everson and O'Flaherty (2005a: 3) leaders have an expanded role which states that:

> "…the task of a leader to sense and recognize emerging patterns and
> to position him- or herself personally and organizationally, as part of
> a larger generative force that will reshape the world."

O'Flaherty and Everson (2005b) state that there is a need for leaders to be able to develop a new cognitive, emotional and spiritual capacity in order to be aware of the intangible sources of knowledge within an organization. Management is no longer perceived in terms of maintaining the business machine, but is rather seen as the motivator and leader of people (Lyons, 2000). It is being acknowledged in the global business arena that leadership is a key source of competitive advantage and that leadership has become crucial in creating value in the modern work organization (Lyons, 2000).

Thach and Heinselman (2000: 227) list three main benefits of coaching in a leadership development programme:

- Coaching allows learning to be tailored to the leader
- Coaching allows methods to be varied according to the needs of the leader
- Coaching allows the teacher to be tailored to the learner.

They further state, however, that in order to realize these benefits of coaching in an organizational leadership development programme that includes coaching, there need to be several organizational leadership interventions in situ that support the process (Thach and Heinselman, 2000: 229):

Leadership Development Definitions: Leadership development must be clearly defined with clear expectations and understanding that workshops only form part of a long term development plan.

Systems Approach: Leadership development needs to be integrated into performance and Human Resource systems throughout the organization.

Accountability: Continuing personal and leadership development plans should be integrated into performance reviews.

Continuous Learning Philosophy: Organization needs to communicate that leadership development is not simply a task to accomplish, but a different approach to work that will require continuous improvement.

Balance: Life consists of learning, working and playing. Organizations must help leaders to see that life consists of all three aspects at the same time and they cannot ignore the impact that the interaction of the three areas has on individuals.

Measurement: The impact of the leadership development initiatives need to be measured through mini-surveys or other relevant tools.

O'Flaherty and Everson (2005b) also advocate for a systematic and measured approach to coaching leaders. McDermott et al (2006:19) outline a systematic and strategic methodology to make coaching effective. These include having visible leadership from the top, discipline to define behavioural objectives and measure success and finally there is a need for central management of both external and internal coaches. This case discusses a coaching initiative that included both external and internal coaches. Combining external and internal coaches is seen as a very effective approach to leadership development in the modern, cross-functional networks that exist in

organizations (Lyons, 2000). The main reasons for a preference towards external coaches are due to a greater sense of trust and respect of confidentiality (Wasylyshyn, 2003). A preference for internal coaches, however is driven mainly by the fact that the coach has extensive knowledge of the company and aspects such as skill building, on-the-spot coaching and conflict management (Wasylyshyn, 2003). A further reason for having internal coaches is that coaching provides executives and managers with the tool to utilize effective dialogue with their direct reports, who respond more effectively to someone regarded as a legitimate motivator rather than merely to the positional power (Lyons, 2000).

Successful leadership development initiatives address issues at an individual, team and organizational level (Cacioppe, 1998:52). These elements are defined as being:

- The self-development of leaders
- Improving their ability to contribute to the teams they lead
- Skills which help them contribute to the business and strategic change

Kur and Bunning (1996) recognized similar themes in the design of their leadership development programme, which includes a business track, leadership track and personal development track. In a study on global leaders conducted by Solomons et al (2000:334) it was determined that effective leaders needed to display the following characteristics:

- Take time to reflect regularly and consistently
- Take responsibility for developing future leaders in the organization
- Emotionally literate
- Culturally self-aware

Coaching provides the opportunity for self reflection, but can also be strategic in nature when it aligns the needs of the business with the developmental needs of its employees (Lyons, 2000). The focus of coaching on enhancing competencies (Flaherty, 1999) and

its ability to rebuild or fine-tune these competencies enables leaders to remain effective in the workplaces and is therefore a powerful and strategic tool in the executive repertoire (Kets de Vries, 2005). The key to leadership development is personal growth and coaching provides all the necessary elements to facilitate this growth: assessment, challenge and support (Toegel and Nicholson, 2005). Coaching can also sensitize people to reflect and act in a more purposeful way, which is strategic as it helps to align the organization with the people who are part of it (Lyons, 2000).

The domains in which the competencies that leaders need to develop can be summarized in the model of Divine and Flaherty (2002) that is cited in O'Flaherty and Everson (2005b). These competencies are not supposed to be seen as extra competencies that individuals need to acquire in order be effective leaders, but rather serves as a framework to contextualize how to develop the competencies that already exist (O'Flaherty and Everson, 2005).

Domains	Basis of Reality	Illustrative Characteristics	Competencies in Domain
"My" World of Internal Nature (I)	Interpretive	Consciousness, subjectivity, self, self-expression, truthfulness, sincerity	Purpose Self-knowledge Self-correction Persistence
"Our" World of Society (WE)	Interpretive	Ethics and morals, common context, culture, worldviews; mutual understanding, appropriateness, justness	Relationship Communication Leadership Inspiration
"The" World of External Nature (IT)	Objective	Science and technology, objective nature, empirical forms	Processes Technology Measurement Statistics

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Source: Divine and Flaherty 2002

Coaching is thus becoming a core competency of contemporary leadership and is regarded as being an effective tool to create and sustain high performance (Crane, 2000). Organisations need to harness this competency and realize that in order to be successful in today's rapidly changing global context, they need more "fully human" people as their leaders (Freas, 2000). Coaching enables organizations to unlock the latent leadership potential in managers and reinforce leadership where it may already exist (Lyons, 2000). Coaching is focused on both the individual and the system within which the individual exists and successful coaching facilitates change for the individual and the system (Freas, 2000). These competencies, however, need to be developed through an integrated and sophisticated approach, rather than merely through one training course (O'Flaherty and Everson, 2005b). For this reason, in order to support an integral coaching approach to leadership, O'Flaherty and Everson (2005b) recommend the adoption of Andragogic learning methods.

3.2.1 Andragogic Learning

Knowles (1984) highlighted the distinction between traditional pedagogic learning, which is teacher-centred as opposed to the more learner-centred andragogic models. The summary of his insights into the difference between pedagogic and andragogic models is outlined in the table below.

Aspect	Pedagogic	Andragogic
Learner	- Dependant on teacher - Teacher has full responsibility - Decisions as to what is learned and how , are the teacher's - Only role for learner is to be submissive	- Learner is self-directing - Drive is towards taking responsibility for self-concept - Feels resentment and resistance when others make decisions affecting learning experience - Energy gets diverted from learning when ability to be self-directing is absent

Aspect	Pedagogic	Andragogic
Learner's experience	• Learner has little experience of much value as resource for learning • Experience of the teacher or learning aids that count • Backbone of learning resides in the transmission of techniques e.g. notes	• Learner enters with great volume of relevant experience • Learning seen as richest resource for self • Techniques need to make use of this experience • Individualised learning plans are key • Experience can also be source of bad habits and prejudices which learning must be designed to overcome • Rejecting learner experience is akin to rejecting the person
Readiness to Learn	• Students ready to learn what they are told • Readiness largely a function of age	• Readiness to learn based on need to know something to perform more effectively in some aspect of their lives • Many triggers to learning exist

Source: O'Flaherty and Everson (2005b: 13), derived from Knowles (1984:9-12)

According to Knowles (1998) the core idea about adult learners relates to the control that adults have in gaining knowledge and expertise. There are four phases in the process of adult learning, which provide the lens for what is currently known about how learners actually control their learning process. These are listed as (Knowles et al, 1998:125)

- **Need:** Determine what learning is needed so as to achieve goals
- **Create:** Create a strategy and resources to achieve the learning goal
- **Implement:** Implement the learning strategy and use the learning resources
- **Evaluate:** Assess the attainment of the learning goal and the process of reaching it.

This process and understanding of andragogic principles provides an insight into why this model works effectively in the context of skilling leaders in coaching (O'Flaherty and Everson, 2005b). Andragogic principles represent a personalized context for development

in which the coachee retains guidance of the learning process and maintains responsibility for its outcomes (O'Flaherty and Everson, 2005b). The authors further maintain that this type of learning process enables coaches to use their own experience when learning coaching so that it forms a basis for action, reflection and growth.

Kolb (1976) provides further reasoning and background to why andragogic learning methods are effective in a coaching context. He stipulates that the process is based on experiential learning and occurs over four phases, which closely resemble the four phases discussed by Knowles. The four phases are illustrated in the diagram below:

Concrete
Experience

The
Experiential
Learning
Cycle

Active
Experimentation

Reflective
Observation

Abstract
Conceptualisation
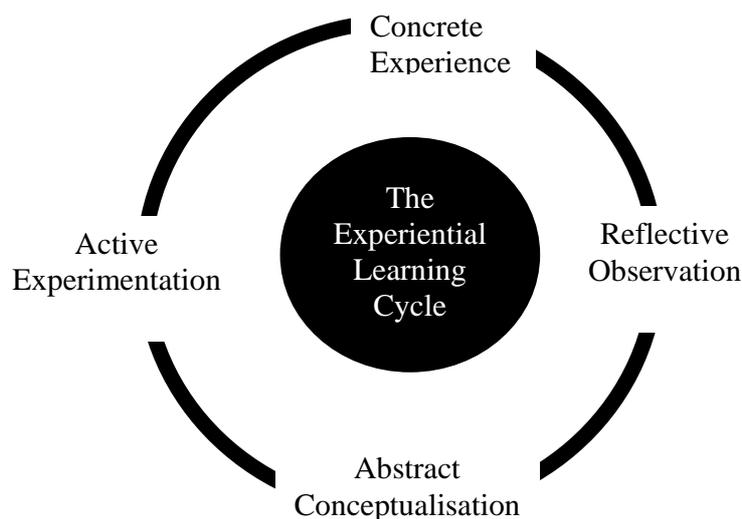
Source: O'Flaherty and Everson (2005b:14) derived from Kolb (1976:21)

O'Flaherty and Everson (2005b) have integrated the work of Kolb with the philosophy of integral coaching described by Flaherty (1999). They have done this to create an 'experiential learning process' model which provides a framework for using the andragogic principles in transferring coaching skills to leaders and can be used within a business context. This amalgamation of the experiential learning principles with andragogic principles describes four phases of learning which take the learner from being

unaware of their behaviours to being able to shift their behaviours in a way that ensures greater competency (Howard and Loos, 2005).

O'Flaherty and Everson (2005b:15) define the four phases as follows:

- **Concrete experience:** The leaders experience the learning process as one which forces them to become aware of the need to change what they are doing and how
- **Reflective observation:** The teaching methods encourage observations so that the leader becomes aware of and is able over the learning process to begin shifting their behaviour in ways which embed the skill and learning
- **Abstract conceptualization:** The leader is able to pause and consider the various models and distinctions of coaching in a grounded way
- **Active experimentation:** The leader tries new practices designed to encourage acting and responding in a coaching way, which further reinforces the learning.

According to O'Flaherty and Everson (2005b) there are various andragogic methods that can be used in an organization to teach integral coaching. The following table outlines the basic concepts associated with each method.

Method	Characteristics
Coaching Circles	• Make sense of issues leaders face in their jobs and provides space to explore effective actions to resolve them • Based on collaborative inquiry • Enables leaders to learn to reflect • Enables leaders to see from other peoples' points of view • Leaders learn about themselves

Method	Characteristics
	• Leaders learn how to listen actively • Leaders learn to give and receive feedback • Leaders learn to ask insightful questions
Learning Pods	• Collective learning communities • Leaders share their coaching experiences and complete shared learning exercises or projects • Projects can be directed particular skills or development areas • Exercises can be presented to other pods to enhance overall learning
'Real' Plays	• Working with 'live' issues • Members of class coach each other one-on-one on real issues rather than hypothetical ones • Requires an atmosphere of trust and confidentiality • Potential for authentic and memorable learning experience • Enables leaders to experience coaching and to enhance their understanding of how it works in reality • Enables leaders to make real-time

Method	Characteristics
	corrections while the plays are in progress
<u>Coaching demonstrations</u>	• Observe experienced coaches • Echoes of the 'apprenticing' tradition • Provides leaders with a visual image of what 'good coaching' is about • Highlights how the theory of coaching is translated into practical effect • Grounds coaching into a tangible execution • Provides leaders with an example of the different options at their disposal whilst coaching
<u>Revolving Triads</u>	• Combines leaders into triads of coach, coachee and observer • Enhances the 'real' play scenarios • Triads operate as revolving perspectives, as each triad member plays a different role at different times • Enables leader to experience coaching from three perspectives • Keeps the learning perspective fresh

Method	Characteristics
	by the different possibilities that open up depending on the role that is adopted
Coaching assignments and feedback	• Leaders source willing coaching clients in order to refine their coaching skills • Written reports are submitted to the coaching instructor • Instructor provides insightful feedback which gives powerful support to the process
Personal coach	• Personal coach is assigned to the leader • Leader experiences coaching in a powerful way • Enhances understanding of what transpires in the coaching process • Provides the leader with valuable insights into what works and what does not work in this context

Source: O'Flaherty and Everson (2005b: 15-22)

The methods used at Eagle included coaching circles and personal coaching in order to facilitate the transfer of integral coaching skills. The benefit of both these methods is that they ensured a level of follow through to the coaching initiative and ensured the experiential, not just the theoretical approach to integrating coaching within the organization. One of the criticisms of most executive development programmes is that

they are often done in a short period of time and there are no mechanisms that remind people of the skills they learn or that hold them accountable in order to ensure a shift in behaviour (Zenger and Stinnett, 2006). This is further reinforced by Kets de Vries (2005) who stipulates that it is essential to have a follow-up process to training initiatives in order to ensure successful change. According to Hawkins and Petty (2000), organizations that included ongoing individual and group coaching interventions as a part of the feedback process in a leadership development programme, improved the proportion of leaders who integrated the development principles into practice. This resulted in a greater perception of leadership effectiveness throughout the organization.

Coaching circles provide the opportunity to tap into the wealth of coaching talent that apparently resides in organizations (Toto, 2006). Research also supports that a seemingly simple coaching conversation can successfully allow for the expression of uncertainty in a manner that produces results to resolve this uncertainty (Lyons, 2000). According to Kets de Vries (2005) the group leadership exercises, such as coaching circles, provide a transitional space which enables leaders to experiment in a safe environment in order to understand and resolve issues facing the organization. Coaching circles at different levels of the organization can also help establish and build a collection of individuals into a functional business unit (Lyons, 2000).

Coaching circles require a foundation of trust in order to facilitate a dialogue that is focused on business improvement (Lyons, 2000). This is in alignment with Flaherty's (1999:56) prerequisites for all coaching initiatives, which are:

- Mutual respect
- Mutual trust
- Mutual freedom of expression

These climate settings also correlate with the optimum learning climate determined by Knowles (1984), which emphasizes the importance not only of the physical environment for learning, but also the psychological climate. The factors influencing the psychological climate also include mutual respect and trust as well as openness and authenticity as discussed by Flaherty (1999). Knowles et al (1998), however, also include collaborativeness, supportiveness, pleasure and humanness as further factors necessary for a safe psychological climate that facilitates learning.

Individual learning and the principles of andragogic learning in particular are important aspects to consider in using coaching as a leadership development programmes in an organization. The current employment climate demonstrates that there has been a shift from a "Job for Life" to "Education for Life" in people's attitudes towards organizations (Lyons, 2000:13). This concept stipulates that there is no specific job for a lifetime anymore, but rather several jobs that fragment a career and learning needs to be continuous rather than once-off (Lyons, 2000). This commitment to learning is an essential component of a leadership development programme that facilitates managing change (Thach and Heinselman, 2000).

3.3 Coaching and Change

Change is the process of moving to a new and different state of things and is a constant aspect of organisational life (Smith, 2005). Adizes (1989) and other scholars, including Kleiner, Roberts, Ross, Roth, Smith and Senge (1999) support the notion that "change-as-an-event" has now become "change-as-the-norm" in today's business environment (Everson et al, 2006:3). The reason for change is to secure the future of the organisation (Atkinson, 2004) and should focus on the positive aspects of the organisations rather than as a way to solve a negative problem (Karp, 2004). Change is not easy within an organisational setting as it often requires letting go of the familiar and embracing the unknown (Livers & Hoffman, 2005). In today's complex business environment, the

responsibility for change needs to be given to a broader range of stakeholders, and not just be the responsibility of one visionary hero within the organisation (Karp, 2004). Implementing change requires a planned approach that is targeted at all levels of the organisation (Livers & Hoffman, 2005).

There is therefore, a need for "coaching and commitment cultures" to replace the "command, control and compartmentalize cultures of the past" (Kets de Vries, 2005: 62). This is reinforced by Bacon (2003) who states the main purpose of coaching is to facilitate change and Grant and Greene (2003) who further state that the change is positive and directed. There is also a great need for coaching within the South African context, in order to enable people to change with the constant technical and political changes (Everson et al, 2006). Coaching enables clients to move towards achieving their goals and improving personal and business performance (Watt, 2004).

The literature contains two previous studies that have demonstrated the effectiveness of implementing coaching to facilitate the change process. Eaton and Brown (2003) discussed a coaching implementation programme at Vodafone in order to enable management and employees to cope with a change in the operating systems. Wild (2001:161) documents the coaching programme at Unilever after they identified the need to "upskill their workforce in order to be able to cope with the certainty of change". Both of these studies demonstrated effective outcomes of the coaching programmes in terms of implementing a cycle of continuous improvement through coaching (Wild, 2001) and instilling an honorable cycle of trust, delegation and success (Eaton and Brown, 2003).

Eaton and Brown (2003) also noted enhanced performance within individuals, teams and the organisation as a whole, which was an indicator of the success of the model of cascading the intervention from the top down to management at all levels in different divisions. They also noted, however, that culture change does not happen instantaneously

(Eaton and Brown, 2003). This is reinforced by the research of Megginson and Clutterbuck (2006:234) who state that there are four stages to being able to embed a coaching culture within an organisation. These stages are described as:

1. Nascent - the organisation has no commitment to the coaching process
2. Tactical – the value of coaching is recognized, but there is difficulty in understanding the implications of what will be involved for managers
3. Strategic – considerable effort has been exerted to provide management with the training and competence to train in a variety of settings. Managers are also rewarded or punished for coaching or not coaching.
4. Embedded – people at all levels within the organisation are involved in the coaching process, both formally and informally.

This emerging view of the need for managers creating enabling relationships to facilitate the learning of others shifts the paradigm of the authoritarian organisations of the past into a learner-centred organisation that focuses on collaboration and discovery (Ellinger and Bosum, 1999). The challenge of working within the context of change is enabling employees to embrace the changes and focus on attaining the new goals set forth by the executives, which requires a change in behaviour (Hawkins and Petty, 2000). Most leadership development programmes that are initiated in response to organizational change, as is relevant for this report, focus on giving people feedback, targeting improvement areas and then just providing a training course (Lyons, 2000). The difficulty with this approach is that the training programmes can be short-lived and there is no continuity. Ongoing coaching programmes and embedding a coaching culture can counter this (Hawkins and Petty, 2000). If a coaching culture is established to manage the change, it can nurture leadership within the organization (Lyons, 2000).

3.4 Conclusion

Flaherty (1999) suggests that coaching offers a method for real learning to take place with the business environment. He states that:

> "..coaching is a way of working with people that leaves them more
> competent and more fulfilled so that they are more able to contribute
> to their organizations and find meaning in what they are doing".
>
> Flaherty (1999:3)

The literature review aimed to assess the current knowledge surrounding integral coaching and its role in leadership development and facilitating change. Coaching requires a commitment to learning at an individual, team and organizational level. Central to this learning process is that there is a climate of mutual trust and respect between the coach and the coachee (Flaherty, 1999). The benefits of coaching have been outlined in this review, with particular reference to the fact that coaching provides a personalized approach to enable leaders to reflect and explore the habits and behaviours that hinder their competencies (O'Flaherty and Everson, 2005b). The literature suggests that when coaching is used as a tool in leadership development, it encourages leaders to engage their whole selves at work. Flaherty and Sieler also reinforce that improved self-understanding and enhanced relationships within the workplace can result in a greater sense of individual fulfillment (Everson et al, 2006). This increases their fulfillment within the work context which enables them to be more effective global leaders. The case study that follows, allows the reader to gain an insight into the benefits and challenges of integrating coaching into a South African organization in order to develop the leaders required for the transformation of a global organization.

4 EAGLE: The Impact of Coaching on Organisational Change

Introduction

Peter Dove, is the charismatic and enthusiastic MD of Eagle. He joined the company in 2002 and created a vision about developing the leadership within the company to ensure its ability to cope in its constantly changing environment. Dove wanted to transform the company, through leadership, from its conservative and somewhat isolated heritage, to being an innovative company with the ability to initiate globally recognized best practices. He instigated an innovative integral coaching programme across all management levels in the organization as a way of realizing this vision.

Dove uses the distinction of parents teaching a child to learn to ride a bike to demonstrate the impact of coaching. He states that if parents use the managerial style that has been embedded in organizations for the last few decades, they would still be holding onto the saddle and telling their children to pedal and go left or right. This translates at work, into your boss looking for regular feedback sessions, handing in reports and auditing of all activities. As an inherently human parent, however, your role is to support the child learning to ride by initially holding the saddle and helping them gain the competency of balance. Then they get the competency of confidence that they are able to do it on their own. Once they've got the competencies required to ride the bike, as a parent you walk behind them and support them, only helping them when the surface changes or more obstacles are in their way. In Dove's view, coaching in an organization provides the support of a parent and leadership is what builds competence in others to manage change.

Company Background

Eagle is a product of the merger between a global fast moving consumer goods (FMCG) company, Global Trading, with a South African FMCG company, Hunter International.

The merger occurred in 1999. Global Trading's origins in South Africa can be traced back to 1904 and Hunter International dates back to 1941 when its founder, John Alexander and two colleagues took over a small factory in Johannesburg. At the time of the merger in 1999, Hunter International had an 85 percent market share and annual sales in excess of 30 billion products. With the merger, Eagle became South Africa's largest manufacturer with over 90 percent of the legitimate market share.

This merger also put two very different corporate cultures into the same company, which created issues in and of itself. This was a merger between a family business and a massive international conglomerate. Despite being a global company, however, Global Trading was still a fairly conservative and old fashioned business until about 1989. After that time, there was a massive influx of new blood at middle and senior management level. People were hired from other FMCG companies, such as Coke and Unilever, in order to modernize the organization. This resulted in centralized brand management, centralized systems and concomitant systems, effectively formulating Global Trading into a global confederation as opposed to merely another multinational. This meant that wherever you went in the business, the systems all looked the same and the methodologies were the same around the world.

By 1999, Global Trading had thus undergone significant change in the last ten years and was now a modern and systematic organization. Prior to the merger, the staff at Hunter were expecting a merger with another competitor and thus were fairly surprised when the merger with Global Trading was announced. Hunter in South Africa was even more conservative than Hunter International as this is where the whole organization had started and was still very much being run as a family business. Outside of South Africa, Hunter had begun to recognize the industry shift to more modern practices and was trying to become a more global business. Inside South Africa, however, the Alexander family remained firmly in control with regards to strategy and controlling the work environment

and did not adopt global practices. The other hindrance for the South African business was that they had been isolated politically until 1994 and therefore were unable to enjoy the international supplier relationships or be exposed to other global players as significantly as other companies. This isolation resulted in it having to be extremely resourceful with what was available locally. This instilled a culture of getting the job done in the best way possible and making a plan as best as possible. The Afrikaans saying of "n Boer maak n plan", (*"farmer makes a plan")* was particularly apt for the South African operations. There was also immense loyalty to the Alexander family and working for them held some prestige for individuals in South Africa. They had significant numbers of employees who dedicated their entire careers to working for Hunter and had less than a one percent employee turnover prior to the merger.

The merger between these two diametrically opposed cultures, one who is modernizing into an innovative global leader and an isolated and fairly insular family business, provided the scene for a classic culture clash. The new Eagle had a total of 2 500 employees, of which 2 400 were former Hunter employees. The Global Trading people who joined the new company, however, were in middle and senior management positions and therefore their understanding of how global business should be working and desire for more modern practices, dictated that the old style of management would not suffice in the new Eagle.

Jan Smit was the MD of Hunter before the merger and led the company through and beyond the merger. Immediately following the merger, Smit informed the previous managers that there were two choices facing the company in going forward:

> "We can defend our position and stay drilled in the ground, or
> we can absorb and become more Global Trading than Global Trading is!"

Smit likened the company to a supertanker, in that it is one of the big companies in the global Global Trading organisation and it is tied to the dock. He realized that his role was

to be able to loosen the anchor to move the ship away from the dock, but that it would take an external Global Trading leader to actually turn the tanker around.

Dove took over from Smit in 2002. His profile was much younger than that of Smit and he was an Australian strategically bought in by Global Trading to provide a fresh look at taking the company forward. Dove had been involved in the merger of Hunter and Global Trading, and his background was in dealing with mergers and acquisitions. He therefore understood the issues of culture change that occurred following mergers and acquisitions and so his focus was to get value by allowing people to be themselves, not to "just be a staid corporate guy who is acting his way through life". He also had an understanding of the old Hunter culture and expected to be confronted with black suits and black ties, with everyone being very serious. He was pleasantly surprised, however, to find that it was a very normal, fairly relaxed atmosphere, with people wearing jeans. Dove gives credit to Smit for making these initial changes and initiating the modernizing process. He also believes, however, that his straightforward and "what you see is what you get with me" attitude enabled people to be themselves with him in order to facilitate his understanding of the human side of the business.

In his first six months at Eagle, Dove spent the majority of his time literally living, breathing, listening and writing about Eagle as he didn't feel that you could change something unless you've absorbed it through talking to lots of people throughout the organization. Dove's arrival also coincided with feedback from the "Winning in our World" culture audit. These are focus groups that are performed globally every second year. This feedback highlighted the lack of leadership within the organization and that the organization was ready for a change from the old management style.

The road to Leadership

Dove organized for the Board of Directors of Eagle to meet with Nick Binedell of GIBS[1] to plan their development strategy. In this meeting, Binedell discussed the three main areas impacting on the business:

- Strategy
- Management
- Leadership

His assessment was that in terms of strategy, Eagle was performing at 100 percent in this area, in that they had strategies for strategies. Management was performing at 110 percent and they had all the correct processes in place. But in terms of leadership, the company was at zero percent. The reason for this brave statement to the members of the Eagle board, was that their leadership directives had previously come from the Alexander family and were now coming from head office in London. The South African board had not driven their own leadership agenda.

Their search for a relevant leadership development programme led them to Craig O'Flaherty and the Centre for Coaching in 2004. Craig designed a four phase process for addressing the leadership challenges identified at Eagle. This programme formed part of a three part model designed by the company to make all employees "Future Fit"[2]. The model consists of L'Avenir, One Leader and Change Management, which together enable individual employees to be "Future Fit" (exhibit 1). An employee who is "Future Fit", is able to think about the future, and assess their own skills in relation to their environment in order to remain competitive. They live a balanced life and make time for what is most important. They are empowered and motivated to live a life with "passion and purpose".

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[1] Gordon Institute of Business Science
[2] Company Presentation

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L'Avenir ("*the future*") is Eagle's ten year change strategy which states what they aspire to and how the company is going to get there in all the different business areas. It is Eagle's reaction to the future of the world and how this will impact the company. The development of this strategy was opened up to 80 people and they bought in external political and strategy experts to assist them in determining where the world was going and where South Africa was going, in order to position Eagle within this context. These aspects of the model all occur within the context of managing the change facing the organization.

Alongside this model, Eagle launched another initiative which was focused on the individual. Living No. 1 was about enabling employees to become aware of their current reality and through reflection, determine if they are ready for their own future and establish what their desired future is for themselves and for their career at Eagle. Once this has been determined, the next step is for them to take the action that is required to achieve that desired future. This process is supported by discussions with a coach or mentor in the organization and there are also counselors available through the company's intranet.

The model and the Living No. 1 programme is the ten year vision for ensuring that Eagle will be highly competitive in the global environment in which it operates. It is an ambitious but focused plan, but as Dove states, "in order to deliver that vision with the strategy and management stuff, you've got to have your leadership able to manage the massive change going on in the organization". The model is therefore essentially driven by the leadership development aspect, namely One Leader.

One Leader

One Leader was aimed at all managers, with the view of being cascaded down the organization as coaches are trained through this process. The aims of the overall programme were stated as[3]:

- Ensure leaders at all management levels understand the impact of their own leadership style and behaviour on others
- Develop coaching and feedback as a way of living in the organization
- Build team cohesiveness and the understanding of team dynamics to enhance effectiveness, functionality and high performance.
- Ensure sustainability of leadership behaviour
- Establish coaching circles

Phase 1: Diagnostic phase

The diagnostic phase required each participant to complete various assessment tools before the workshop. The assessment tools included, but were not limited to, Emotional Intelligence Questionnaire, Organisational Climate Questionnaire as well as relevant 360 assessments. Results and feedback were given to each individual on the first day of the workshop.

Phase 2: Coaching to Excellence

The workshop took place over three days. The first day focused on introducing participants to the concept of leadership, the results of the questionnaires and a team climate exercise. The second day focused on individual coaching and aimed to provide the leader with relevant coaching skills. The third day provided participants with the opportunity to take part in a coaching circle and experience coaching each other in a small group situation, with assistance from facilitators. The workshop generally aimed to introduce managers to the language of leadership that is driven by coaching.

Phase 3: One-on-One coaching

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[3] Company Intranet information

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The one-on-one coaching provided the top 120 senior managers with their own external professional coach. This relationship was funded by the company for a period of 6-9 months, depending on the personal requirements of different managers. This provided an externalization to the process and focused the process on being about building competency within the individual, independent from the company. The person could thus have coaching relating to personal issues as well as business related issues. The main aim was to build competencies and enhance that manager's capability as a coach themselves. These senior managers were also then allocated four employees in the organization to coach themselves. They were expected to meet with their coachee at least four times per year, as a key objective in their formal performance management.

Phase 4: Coaching Circles

Coaching circles were held every 6-8 weeks (4 sessions per year) between similar level colleagues and functional groups. These circles were facilitated by an external coach for one year, with the idea being that after that time, the group would have been empowered to facilitate the circles themselves. The combination of these phases of the model, was aimed at ensuring the process gathered the traction required to take this initiative forward in the business and create leaders throughout the organization.

The One Leader programme was designed and implemented to provide the following benefits to Eagle:[4]

- A common framework for leadership, coaching and feedback techniques established in the organization
- Natural teamwork is enhanced owing to a deeper level of individual understanding
- Trust and support is improved
- Managers become more aware of their roles in terms of leadership passages and start to behave at their right levels

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[4] Company Intranet information

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- Enhancement of leadership capabilities of managers
- Extended coaching relationships throughout the organization
- Establishing of a coaching culture in the organization

The One Leader programme was initiated with the South African Leadership Team (SALT) which consists of all the executive directors of Eagle. Although there was significant skepticism regarding the process amongst this group, Dove was a firm believer in the benefits that this could provide. He was not disappointed in the response from his executive team who realized at the first workshop that it had the potential to be an incredibly powerful addition to their skill set. The SALT team has committed to their coaching circles and has had 25 coaching circles to date. They no longer have an external facilitator and are able to facilitate it themselves. The commitment is so strong, that they have no qualms in postponing global meetings in order to attend the scheduled coaching circle.

As of November 2006, 453 managers have been through the One Leader programme. There are 250 individual coaching relationships throughout the organization and 63 coaching circles. One Leader has been running for 3 years and although it is recognized that it is a 10 year process before it is firmly embedded in the organisation's DNA, there remain mixed responses as to how this initiative has enhanced leadership within Eagle.

Impact of One Leader – the story so far

The initial skepticism towards coaching, did not just exist at board level, there was significant uncertainty at all levels of management prior to going on the workshop. A lot of this skepticism was related to a lack of understanding of the process and what the expectations were that it would place on people. Once this was understood through the workshops and people were able to experience coaching in the coaching circles, a significant amount of skepticism was alleviated.

A survey was conducted in the latter half of 2005 to ascertain the impact that the coaching programme had had on managers in the organization. The report that followed found that there had been some significant behavioural and attitudinal changes following the exposure to the One Leader programme. For the purpose of this case study, interviews were conducted a year after the survey to establish if there had been any further changes from this survey. The themes that emerged from the interview, were very similar to those identified in the survey and are represented in a systems diagram below which illustrates the impact of the programme in a systemic way. A systems diagram provides insight into the relationship between different aspects of the system and illustrate how it is these connections that make the whole greater than merely the sum of its individual parts.

System of leadership development at BATSA
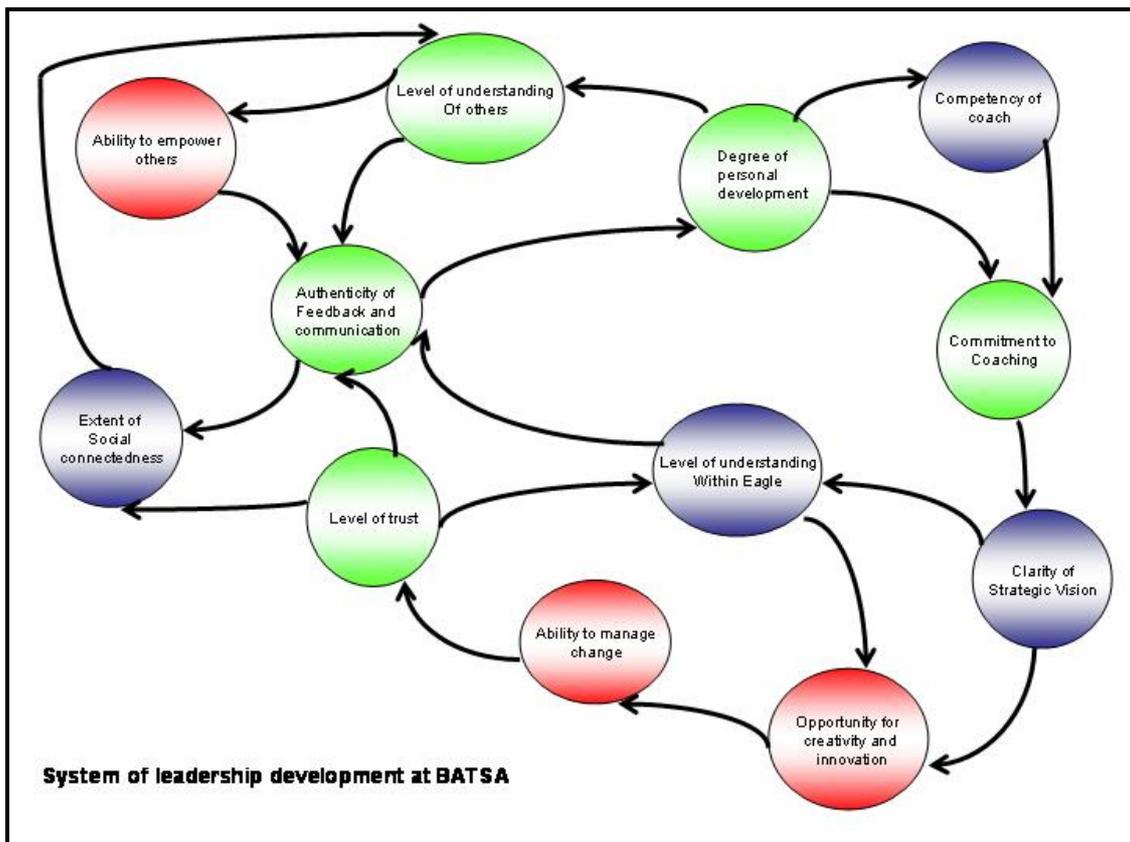
Source: Farr, 2006

This diagram provides insight into the drivers, links and outcomes of the One Leader programme within Eagle. Drivers are the components that have greater influence over other aspects of the system and therefore a change in a driver, will result in a change in another aspect. An example of this would be that if the an individual was not willing to enhance their personal development, then their competency as a coach could be compromised. The relationship can also be positive in that if an individual's awareness of self and level of personal development was enhanced, than their coaching competency could also be improved. An outcome is the aspect of the system that is influenced by other components and only occurs as a result of interaction with another aspect of the system. An example of this within the above system is that having a clear strategic vision, can assist in providing an opportunity for greater creativity and innovation, which is vital in being able to manage change. A link is an aspect of the system that can serve between drivers and outcomes and can either influence or be influenced by other aspects of the system. To summarise, the systems diagram illustrated above consists of the following drivers, outcomes and links:

Drivers

- Degree of personal development
- Level of understanding of others
- Commitment to coaching
- Authenticity of feedback and communication
- Level of trust

Links

- Clarity of strategic vision
- Competency of coach
- Extent of social connectedness

Outcomes

- Level of understanding within Eagle
- Ability to manage change

- Ability to empower others

The systems approach demonstrates the interrelatedness between the different aspects and highlights conditions necessary to maintain a system that is conducive to leadership development. This diagram also corresponds with the understanding that managers at Eagle have of what characterizes their own leadership agenda, namely[5]:

- Clear direction and vision
- Trust and openness
- Open feedback
- Coaching as a way of living
- An empowering environment which focuses on the strength of the people
- Increased collaboration

The main findings for the survey in 2005 yielded similar results to those found during the interviews in 2006, demonstrating a sense of consistency and continuity. There is a view amongst managers that they have been able to enhance their capacity for self-understanding, which has had a positive influence on them and those that report to them. The specific behaviours that were noted in this regard were[6]:

- Increased self-observation
- Change towards a more coaching style of interaction
- More attentive listening and understanding of others
- Improved trust relationships
- Shift in culture from blaming others towards being more open, authentic and relaxed.
- People felt more empowered
- Willingness and increased competence in handling difficult situations

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[5] Report on the Impact of One Leader Company Report May 2005
[6],[7] Everson et al, 2006

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- More opportunities were created within the workplace
- Greater empathy expressed at work

The improvement, as depicted in the systems map, is not just related to individual development, but also the potential for enhancing relationships with others. The themes that emerged in this area were[7]:

- Teamwork
- Introspective vision
- Acceptance of diverse inputs
- Trust
- Dedication in the workplace
- Humaneness
- Inspiration towards own tasks
- Flexibility towards others

This enhanced sense of teamwork also spread across functional units, which prior to the One Leader programme had operated in silos. As one manager stated, "if you went to visit operations from finance, you were asked how you had survived". This culture had definitely shifted and people were able to identify a more collaborative and affiliative working environment.

Increased levels of trust and empathy towards others are largely attributed to coaching circles. They are regarded as opportunities to communicate difficulties and receive support when the pressure increases, which enhances the individual interaction outside the circles, ensuring greater levels of cooperation. Changing legislation and greater global budget restrictions have resulted in the main manufacturing plant in Paarl being closed and moving out to Heidelberg. This resulted in significant retrenchments and the

relocation of some of the Paarl staff. The difficulty that people had with this decision from a personal and professional perspective, was discussed at a variety of coaching circles at different levels within the organization. Managers stated that coaching circles provided the space that is not present in board meetings or operational discussions to explore the impact this decision would have on the business and more specifically the people within the business. The change was still difficult, but the fact that there was an opportunity to explore this difficulty in a compassionate forum, facilitated the transition and provided the support to all involved that previously would not have been there.

Coaching circles do, however, have their limitations. The main difficulty appears to be logistically synchronizing diaries to ensure a full day when people are able to meet. This reason is, however, not well accepted as SALT manages to co-ordinate their meetings every 6-8 weeks without fail. Other managers in the organization realize that if SALT is able to rework global schedules to accommodate coaching circles, then they should be able to as well. The inability to fit in coaching circles is therefore regarded as a subliminal defensiveness to the process and is sometimes challenged by others in the circle or else ignored depending on the trust levels within the circle. Trust also impacts on the depth of issues discussed within the circles as some people are not willing to disclose any personal or work related issues beyond a superficial level with others that they mistrust. One employee stated that his initial perception was that it would be difficult to make himself so vulnerable within this setting as he is sitting with people that he is competing for promotions with. After time and skillful external facilitation, he stated that the trust had risen to a level that he felt comfortable to disclose and gained a lot of value from realizing that his colleagues shared similar concerns as he had. Given these limitations, Dove states that 88 percent of the coaching circles are effective at present.

The other main area that integral coaching impacted on in the organization, was in its ability to create an environment that encouraged new ways of thinking and learning. This

was depicted by an overwhelming sense from managers that the working and organizational climate had improved significantly. One manager reported that this was regarded as a significant shift from the "old culture of high delivery, high energy, but not actually performing". The increased levels of trust within the organization have also resulted in more honesty and accountability within the workplace and more value is placed on personal contact. It was also stated by one manager that coaching enables people to "address their fears in order to gain peace of mind through having an open discussion".

Dove recognized the benefits that coaching has had on opening up new possibilities by providing the opportunity to think differently. He reflected on one meeting when it appeared that the discussion was finished as they had apparently come to a deadlock on the matter. He then suggested opening up the discussion using coaching techniques and the result was a solution that saved the company hundreds of millions of dollars.

There remain, however, pockets of uncertainty regarding the programme. This relates particularly to people who have only been exposed to the programme in the last year. The sense is that coaching has not become entrenched in their work environment and remains an extra tool to use rather than an aspect of their leadership style. Those not based at head office and who are therefore not exposed to the transparency of SALT's commitment to the process also describe less dedication to the process than those who have been inspired through their interaction with SALT. Some people within the organization also feel that as soon as the pressure to perform is increased, people slip back to the old management style of command and control. There is also a concern that there is not sufficient preparation provided to adequately equip managers for being coaches, and thus they return to their known management style. Some employees feel that this intervention has been forced on them and are slightly resentful towards that, but as Dove states, he is only asking people "to be themselves and isn't that a good thing?" There are people of the

opinion that this is a "soft" technique that has little effect on their daily operational activities. Although as Dove will attest, "coaching is one of the hardest disciplines I have ever experienced". Despite this, however, some skeptics remain and are not sure of the return that the organization is receiving from its investment in coaching.

Impact on the bottom line

There is little doubt that there has been a significant qualitative impact on Eagle as a result of the One Leader programme. Many employees have experienced the value of the programme, both personally and professionally. The question is whether this positive qualitative impact has translated in quantitative benefits for the company in turbulent times. Dove states that it is difficult to measure the value of greater human interaction or the palpable "vibe" within the company.

The profitability of the company in recent years, however, is measurable. Eagle has increased performance from being the eighth most profitable region in Global Trading globally, to now being the most profitable region. The four key South African brands have achieved consistent growth in recent years, increasing their market share from 51.9 percent in 2000 to 57.8 percent in 2005[8]. Eagle has also managed to deliver cumulative savings 30 percent above its initial target for 2005 through strategic sourcing of goods and enhancing efficiency in its supply chain. Although it is difficult to directly pinpoint this improvement to coaching, Dove believes that the impact of One Leader can be seen in the performance:

> "This company is handling massive change, its dropping massive bottom
> line performance – and you can argue that's economically driven as well
> - but the change we're going through it's extraordinary and the performance
> we're delivering is outrageous!"

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[8] Company website

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Challenges going forward

All new initiatives suffer from a loss of momentum and Dove has always stated that the company is only three years into a ten year study. He regards the core challenge as being embedding coaching into the DNA of the company. On a pragmatic level, there is also the issue of ensuring new people are inducted properly into the programme so that you generate their buy-in from an early stage. The other challenge is to develop the coaching circles that are not functioning effectively as well as to support the individuals that are having breakdowns or changing roles. There is also a need to sustain the energy of the programme within the organization. The view is that it will take another six to seven years until it is automatic and is an integral aspect of the way people work.

There remains cynicism in the process and this is a major challenge that needs to be addressed going forward. The difficulty is that some individuals are not open to being coached or coaching others and until they as individuals decide to change their view, it is difficult to enhance their level of trust in the process and faith in the movement towards an entirely different organizational model. One of the concerns that middle managers express is that a lot of their direct reports have not been exposed to coaching and thus do not understand the language or how to respond to being coached.

Eagle is addressing this challenge by introducing another phase to the programme known as Leaders to Change. This will be rolled out to all remaining 2000 employees who are not at management level and therefore have not experienced the One Leader process.

Leaders to Change

Leaders to change aims to promote more efficient working relationships by enhancing mutual trust and respect and utilizing four kinds of conversation. Coaching forms one of the type of conversations that is developed on the workshop. The others are feedback conversations, requests and promises conversations and confrontation conversations.

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Eagle do not plan to have any formal follow up coaching circles after these workshops as logistically it is not possible to have coaching circles for every group of employees. The aim of Leaders to Change is that it exposes all employees to the leadership agenda that management have created and enables them to be more receptive to coaching as well as to be able to engage with coaching should they wish to.

Leaders to Change was piloted in September 2006 and there is an ambitious rollout plan set to begin in 2007. The plan is to have 50 workshops, consisting of 40 people each, within the next two years. Dove is placing pressure on a relatively quick rollout to ensure the momentum is maintained. These workshops are facilitated with both internal and external facilitators in order to ensure continuity and enable those in the workshop to identify with people in the organization for follow up information.

Reflecting on the process

Eagle has embarked on an innovative and ambitious plan to develop leaders within an everchanging global environment. The driver of this process has undoubtedly been the charismatic and enigmatic MD, Dove. He has been the role model for the One Leader programme, living the principles of coaching on a daily basis. He has even undergone over 18 months of training to become a certified professional coach. He is the epitome of an authentic leader.

There are also others within the organization that are furthering their coaching qualifications and that are integrating coaching conversations with their business dialogue. This is enabling them as individuals and in their teams, to open up possibilities for themselves and the company. Since the introduction of the One Leader programme, there have been significant behavioural changes throughout the organization. There is a greater tolerance for new ideas, diversity, curiosity and the communication levels have improved. Through the enhanced levels of trust that are noted in the organization,

teamwork has been enhanced, and it has been possible to have difficult conversations that were perhaps previously avoided, or conducted in a negative manner. There is clear evidence of behavioural and attitudinal change within Eagle since the implementation of One Leader, which also appears to have influenced the bottom line.

Despite this success, there remains some skepticism and resistance to change. There is a concern that coaching is just another fad and will be replaced by a new development tool in the near future. There were also initiatives, such as Living No. 1 that had a significant impact. It is important therefore to recognize the unique value that coaching has provided to the company and determine if it is the reason that Eagle was able to transform into an innovative learning organization through focusing on being "well led" and not "well managed".

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5. Case Exhibits

Exhibit 1

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Exhibit 2.

Table of themes identified from coding statements of interviews

THEME	INTERVIEW STATEMENT
Level of awareness and understanding of others	Better understanding of individuals on a personal basis
	Understanding the complexity of people above you
	Start understanding the people around you from an emotional point of view
	Makes you realise that you're not going through what you're going through on your own
	Get to see your colleagues in a different light
	Appreciate diversity
Degree of coaching competence	It (coaching) becomes second nature
	Coaching style has improved
	Able to combine coaching with business dialogue
	Try and balance between coaching, formalised coaching and well business as usual
	Coaching is applicable to certain situations
	Coaching style integrated into daily conversations
Commitment to coaching	Need a refresher…keep the focus going
	Cynicism in terms of the entire process
	Its part of the way senior management speak and the way they act and everything else
	The more coaching relationships that's established, the more it will become part of our culture
	It was obligated to have coaching circles
	BAT oversold benefits of coaching - not be all and end all
	Softer indicators of people making excuses not to attend coaching circles indicates that its not going very well
Opportunity for creativity and innovation	It fits in with the innovation drive that we're having…because when you're coaching…they need to be innovative
	We turn failures into successes a lot better now
	Open up possibilities
	We employ brilliant people, so if you keep on managing, you'll kill their creativities. You have to open up possibilities to allow them to grow

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THEME	INTERVIEW STATEMENT
Ability to empower others	Leadership style of involving people
	Empowered the person to develop for themselves
	Management is directive; management gives the answers and doesn't empower people to take the responsibility
	With coaching you empower people, you make them grow
	Leadership is really used to influence and support them, provide guidance
	Realising that everyone has a role to play
	Realising that there's a lot more that individuals can add if you pass it back to them
Authenticity of feedback and communication	Communicate with one another
	Nowadays communication is king
	They're asking for constant feedback
	One leader is how to rationalise problems, how to probe with depth and direction
	The level of conversation changes
	Conversations: feedback conversations, conversations around conflict, conversations around requests
	Leadership provides communication of changes
	Forced me to listen a lot more
Ability to manage change	Need to have that coaching culture going through the company so that we are not so pent up about this change coming up
	Leadership will bring about the change that we need
	Leadership is a catalyst for change, it drives change
	Coaching is one of the prep tools that were put into the organisation in terms of helping people to manage change for themselves
	We need these soft skills in order to drive those changes
	Its helped us start to shift the culture in terms of an organisation that actually does need to reshape itself in order to survive
	Some can handle change quicker, some can't
	You don't have to be afraid…of this change and learning and going through something new
	We're taking on lots of change aspects, its too much change

THEME	INTERVIEW STATEMENT
Level of understanding of coaching within Eagle	Easier to apply coaching principles to people that have been on the course before or have had the full exposure
	Exposed to it a lot more in Stellenbosch
	Coaching's become part of the company culture
	It gives you a broader view of the organisation than the tunnel vision you're facing
	For corporate issues, you've got the mechanism with line management to say let's coach the organisation through these perceptions or reality
	We've linked our career development, our personal development and coaching into one
	More aware of coaching
	Difficult when others didn't know what coaching was yet
	Coachees need more awareness of coaching
	Excitement is not there with direct reports
	No visible difference in behaviours, but it is top of mind in company as a whole
Awareness of personal development and accountability	People change in biological time
	More balanced leadership style, a better balanced value system
	More holistic and balanced perspective
	Leadership is about personal ownership and the whole drive towards leadership within the company is about an individual taking ownership of himself first
	Really helped gear a lot of people to the fact that a career is mine…I'm the driver and the owner of it
	What I learn here is for me
	Its allowed them to realise again their capabilities
	People have self development plans now
	Self development which came through coaching
	Become more self-reliant, solved my own problems
	Gives you an opportunity to step back and reflect
	People's opportunity to learn is phenomenal here in terms of development programmes
	Coaching helps us build people as individuals
	Emotional maturity has improved
Extent of social connectedness	Platform for open and honest relationship
	Definitely aided with other relationships over and above the business one
	Enhanced relationships within the organisation

THEME	INTERVIEW STATEMENT
	If you can adopt those principles, you'll become a better manager, a better leader and you will never lose touch with the people who work for you
	We relax and listen to each other
	Teams are more relaxed now because they've seen a change in the manager
Clarity of strategic vision	Leadership across the entire organisation is….driving towards a common goal
	Alignment of all different people
	Committed to the company in terms of the fact that they company has a leadership agenda and has a people agenda
	Value-alignment
	Moving the company into the future
	People leadership is just as important as the strategic side
	I think without coaching implementing some of the strategies in terms of individual acceptance and individual's ability to cope with the changes would have been different
	Heading to a completely different organisational model
	L'avenir fundamentally changed the way we do business
	Leadership is only way to get to desired future
	Coaching circles facilitate the conversations about where we take the organisation and where we take people
Level of trust	Need common ground for coaching circles
	Broke down that wall of mistrust
	Opening up of one another has certainly been positive
	In some departments there is quite a problem with trust
	Establish a sense of trust that's both upwards and downwards
	Lack of a certain level of trust within the process
	Level of trust in the organisation has grown fundamentally
	Trust is a hindrance to the whole process

Questions for Class Discussion

1. a) Discuss the difference between management and leadership.

   b) What role does leadership play in managing the change experienced at Eagle?

2. Outline the advantages and disadvantages of the One Leader programme as a leadership development tool. How will Leaders to Change consolidate the impact of One Leader?

3. a) Explain why the drivers outlined in the systems diagram exert such significant influence on the One Leader programme?

   b) How could management at BATSA use this systemic perspective to overcome the challenges they face maintaining momentum for the programme?

4. How did Eagle enhance self-understanding and personal development through coaching? What impact did this have in creating an environment that encourages new ways of learning and thinking?

5. Did One Leader facilitate the implementation of a new strategic direction for Eagle? Explain your answer.

5 Teaching Notes

Case Synopsis

This case serves to illustrate how a South African fast moving consumer goods company was able to use integral coaching to transform from a conservative company, in relative isolation to its global counterparts, into an innovative people-driven organization recognized for its best HR practices. The case outlines the differences in Global Trading and Hunter International and the challenges the merger of these opposite cultures posed to new management of Eagle. It highlights the need for leadership within the company in order to implement the strategy of change. The response to this challenge resulted in the implementation of the One Leader programme, and the reader is introduced to how a company-wide integral coaching initiative was implemented. A summary of its impact is provided by illustrating the system that the programme has created at Eagle. This enables the reader to understand its significance in enabling the transition to becoming a company that encouraged new ways of thinking and learning.

Teaching Objectives

This case can be used for the following subjects:

- *Change management* – the case demonstrates how to use coaching as a tool for developing leaders to facilitate change
- *Leadership development* – the case illustrates the effectiveness of coaching in developing leaders at all levels of an organization
- *Human resources management and organizational behaviour* – the case focuses on how to develop individuals in order to enhance their commitment to the organization and create a productive workforce

- *Executive Coaching* – the case can highlight the impact that coaching can have on an entire organization and its ability to enable transformation within the organization.

Target Audience

This case is targeted towards business students or executives who want to:

- Understand the role of integral coaching in a business context
- Learn how to design and implement an integral coaching initiative within the workplace
- Analyse the challenges and benefits of implementing an integral coaching programme within their business
- Explore the role of leadership development in managing the constant change facing organizations in today's business environment

Learning objectives of the case

After working through this case and questions, students and executives should be able to:

- Analyse the benefits of introducing an integral coaching programme as a leadership development tool
- Understand the methodologies employed in implementing the integral coaching initiative in an organization
- Understand the impact that integral coaching can have at an individual, team and organizational level
- Determine the benefits and challenges of using integral coaching to develop leaders amidst constant change
- Evaluate the role of integral coaching in enabling an organization to transform its culture

- Debate the appropriateness of integral coaching as part of a leadership development programme in their own work environments

Analysis of the case

Students should be asked to read the case and work through the following questions prior to class.

Question 1:

    a) **Discuss the difference between management and leadership?**

    b) **What role does leadership play in managing change at Eagle?**

a). Students need to demonstrate their own understanding of management and leadership. They can gather evidence from the case that demonstrates the difference between the culture of Eagle prior to the merger, which focused on management and compare this to the characteristics of the leadership agenda that emerged after One Leader. Schneider (2003:11) provides a useful definition outlining the difference between management and leadership. He states that:

> "Management without proper leadership is treacherous. One has to do with effectiveness… the other with efficiency. One involves doing things right… the other with doing the right things. But it takes both to succeed… Leadership is knowing where you need to go – a clear vision – and sharing that vision to create a common purpose. It is the ability to inspire people to action… Leadership always results in change. On the other hand, management is knowing what you have to do to get there… One of the biggest problems today in business is that there is way too much management and too little leadership. You lead people. You manage things.

b). In order to answer this question, students need to examine how the process was implemented and what specific behavioural changes were noted to demonstrate more effective leadership. They also need to discuss how leadership can facilitate change.

In terms of the process, it is important to recognize that the process was implemented from the top-down and not bottom-up as is often the case with training and development initiatives. This approach introduced a greater sense of authenticity to the process and a genuine commitment from those in positions of leadership to demonstrate more effective leadership behaviours. The transparency of their commitment to coaching circles and engaging in coaching conversations in meetings, facilitated the buy-in from other management levels. Students need to gather evidence from the case which provides examples of using coaching conversations to open up possibilities and explore more options, which enhance creativity. This is a prerequisite for instigating change, by being able to think in different ways and exploring other options.

The qualities of true leadership, can facilitate change by their very nature (Schneider, 2003). The behavioural changes noted in the case that demonstrate more effective leadership in being able to manage change are:
- Increased understanding of others
- More effective communication and entrenched feedback mechanisms
- Strong strategic vision of the future, incorporating the changes that the company will need to address
- Greater level of social connectedness
- Listening more actively to each other
- Focusing on empowering others to ensure other opinions are voiced

Eagle was able to leverage its enhanced leadership skills for a more innovative culture that could address change through ensuring open levels of communication, greater

cooperation amongst teams and an ability to recognize that it is not necessary to generate all the answers immediately. People were comfortable with some level of uncertainty and "not knowing" as Dove, described it.

Question 2:

Outline the advantages and disadvantages of the One Leader programme as a leadership development tool. How will Leaders to Change consolidate the impact of One Leader?

The literature review provides a guideline as to what the requirements of a good leadership programme are. This provides the framework for the analysis of the programme and students need to analyse the implementation process as well as the aims of the One Leader programme in order to answer this question.

Advantages	Disadvantages
Linked with L'Avenir strategy which provided framework and context to generate greater understanding.	Managers coached individuals before they understood what coaching was, which reduced the impact of the relationships at times.
Assessments were done individually before the workshop which enabled people to be aware of their own strengths and weaknesses. These could be addressed in coaching sessions and serve as benchmark for future performance.	Uncertainty regarded continuity of circles when people change positions within the company. Unsure if they keep same circle or change to new functional one.
The coaching programme was designed to ensure that there was consolidation of skills learnt on the workshop, by having external	Pockets of resistance to change due to perception of programme being forced.

Advantages	Disadvantages
coaches and formal coaching circles.	
Eagle provided an explicit understanding of the new leadership agenda and that coaching was being implemented to enhance leadership. This reduced any uncertainty as to the reason for implementing coaching.	Dependant on MD's enthusiastic buy-in, but some uncertainty as to the future of the programme once he moves on in the next two years.
Coaching has become a formal part of performance management criteria for senior managers, which increases the level of accountability for integrating coaching into daily work activities.	Some people using coaching inconsistently, which reduces the impact of the leadership development.
Long term commitment to coaching and new Leaders to Change programme demonstrates Eagle's resolve to embed leadership development into the company culture.	People assigned coaches and not given the choice, which can result in incompatible pairings. This can diminish the impact of the coaching relationship.
Focus on individual development highlights the importance of understanding a leader in a holistic manner.	High pressure work culture sometimes incongruent with the principles discussed in coaching in terms of having greater balance in life.
A survey was conducted, which provides measurability to the process.	Difficult to quantify the results of One Leader as measurement is based on subjective qualitative data.

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Leaders to Change

The aim is that Leaders to Change will create the critical mass required to embed coaching into Eagle culture. This will be achieved by now having pressure from lower employees as well as the already present pressure from senior management to engage with the process, thereby making it difficult for middle management to ignore coaching.

The concern with Leaders to Change, however, is that it is merely a workshop training initiative and there are no plans for formal coaching circles to be provided for this group, unless specifically requested. The reason for this is due to logistics and the fact that it is not feasible to have production people out of work for a full day. One of the reasons for the success of One Leader and its major advantage is that through its design and focus on individual coaching and coaching circles, it enabled coaching to gain traction throughout the organization.

Leaders to Change, however, does expose every employee to coaching conversations and enables them to understand their managers when the technique is used so that both parties can generate maximum benefit in the interaction. It should ensure greater empowerment of employees at all levels and ensure more conversations that are focused on opening up new possibilities. This provides the impetus required for the whole organization to maintain its focus on innovation and ensuring its success within the changing global arena.

Question 3:
a) Explain why the drivers outlined in the systems diagram exert such significant influence on the One Leader programme?
b) How could management at BATSA use this systemic perspective to overcome the challenges they face maintaining momentum for the programme?

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a). Students need to analyse each of the drivers outlined in the case in terms of their contribution to a leadership development programme. These drivers form the foundations of an effective leadership development programme. A greater sense of self awareness and personal development, enables leaders to be more aware of their emotions and reactions to individuals and situations. This awareness enables them to handle difficult conversations and handle situations more effectively, by recognizing the need for greater compassion and being empathetic. Greater awareness of their strengths and weaknesses also addresses where further learning or training may be required, so it perpetuates a culture of learning and development in the organization. Managers are also more aware of the importance of leadership as opposed to management which is a catalyst for being more open to learning from others and focusing on the people issues more intently.

Understanding others more effectively requires greater listening and communication skills. These drivers are thus inextricably linked and are the crux of instigating behaviour change. These aspects enhanced cohesiveness between teams and ensured a greater sense of belonging within the team. They enabled people to listen more actively to one another and value the opinions more, by recognizing the benefits of diverse perspectives. These drivers are responsible for the shift that management has recognized from debating the person to now debating the issue, which is more productive in managing change. Enhanced communication networks and greater understanding of others, has had a tangible positive impact on the climate within teams. Increased work pressure and commitment to projects, can also hinder communication and tolerance of others. This can then reduce the leadership availability within the company and negatively impact the system.

Individual and organizational commitment to coaching is vital in ensuring the survival of the system. It is the platform from which the leadership development programme has been based on and if the enthusiasm for coaching wanes it would have a detrimental

impact on the system as a whole. A prerequisite for coaching, as detailed in the literature review is mutual trust. If trust levels are low, then it is difficult to get that buy-in for coaching and coaching circles in particular. Trust is thus a fundamental driver of the system and is often overlooked or taken as a given. This system demonstrates the integral role it has in this programme and that without trust, there is diminished capacity to instigate change.

b). Students need to be able to determine the challenges outlined in the case and use the systems map as well as statements in Exhibit 2 in order to answer this question. The challenges are outlined in the case and the systems diagram provides the information as to which aspects need to be targeted by a high leverage intervention in order to overcome the challenges. The statements in Exhibit 2 provide more detail with regards to both the challenges and potential areas that could be targeted in order to overcome the challenges. The systems diagram can be used by management as an assessment tool in order to establish where the difficulty lies. By understanding the drivers of the system, it provides the root cause of the problem, rather than looking at how it manifests itself, such as in an inability to manage change. The diagram demonstrates that managing change is an outcome and therefore not the area to target for an intervention plan. The intervention plans need to be targeted at the drivers in order to be a high leverage intervention to correct the system.

In terms of the challenges addressed in the case, the issue with momentum relates to the commitment to coaching, and this can be overcome by providing refresher courses on an annual basis. This will serve to ensure that individuals are reminded of the benefits of coaching and can also address any difficulties that may be hindering them from using the methodology within the workplace. External coaches can also be organized for individuals who are struggling with their own personal issues which may be reducing their competence as a coach. External facilitation may also be required for coaching

circles that are not functioning effectively. The systems diagram emphasizes the role that trust has as a driver within the system and by understanding this, senior management should focus on enhancing trust within certain circles for them to function more effectively. This may also require external facilitation or it may be able to be resolved by using trust building exercises more regularly in functional groups.

The systems diagram enables management to analyse every aspect of the programme to understand if the drivers are positively or negatively influencing the outcomes that they aspire to. When the area of breakdown is identified, they can implement the most effective intervention to fix the cause, rather than the symptom of the problem.

Question 4:

How did Eagle enhance self-understanding and personal development through coaching? What role does this have in facilitating change?

Eagle implemented a programme that did not just focus on providing training and assume that people would implement what they had learnt from the course. They assisted the integration of coaching into the organization by investing in external coaches for senior management and in external facilitators for all coaching circles. This ensured that the information they learnt during the workshop, could be transferred into real life experience. This not only consolidated the learning process, but also ensured that people focused on their personal issues to discuss in coaching. Eagle did not restrict the individual coaching to business issues, but adopted the philosophy of integral coaching, which addresses all aspects of a person's life. The literature review, discusses the fact that integral coaching is specifically designed to take a holistic view of a person and explores all domains of a person's way of being.

The literature review outlines the table of competencies that leaders need to demonstrate in order to be effective. They are divided into 3 domains – *I, We, And It* (O'Flaherty and

Everson, 2005b). The *I* domain, highlights the importance of personal development and how central this is to leadership development. Eagle used this table in all documentation about coaching that was disseminated throughout the organization. This demonstrates that they recognized the importance of personal development and the role that it had in their leadership agenda. The literature review also highlights the importance of personal development as part of a leadership development programme, which is emphasized by Cacioppe (1998) and Kur and Bunning (1996).

Students need to recognize that individuals react to change differently. This is highlighted by the different ways in which people adopted the coaching programme. Some people were enthusiastic and have enrolled in further coaching courses outside the company, while others remain skeptical and refuse to adopt it. Organisational change creates a lot of uncertainty and stress for some individuals. All aspects of change, even at an organizational level, impact on people at a personal level. Change is also a reality in today's global organizations and in order to facilitate the acceptance of change, the organization needs to enhance manager's individual competencies. Coaching is thus an effective tool as it focuses on personal development, with specific attention on how to move forward, rather than looking back. This approach therefore enables people to anticipate the change by looking forward and identifying what they need to be able to do in order to manage that change effectively. One Leader was experienced by all management within Eagle, and this collective approach to enhanced self-awareness and understanding, enabled them to recognize how change would impact individuals, teams and the organization as a whole and therefore they could make strategic decisions to effectively manage the change. The case highlights the organizational benefits of One Leader and how managers enhanced their ability to deal with difficult situations, including change, which facilitated encouragement of new thinking and learning opportunities within the organization.

Question 5:

Did One Leader facilitate the implementation of a new strategic direction for Eagle? Explain your answer.

The students need to recognize the need for change within the organization following the merger and the fact that it was personal culture clashes that needed to be addressed. Legislative and industry related changes that were imposed on the company, could only be addressed if the people were willing to make the changes. The sustainability of the company relied of the people being able to be more innovative and creative, through the creation of more leaders.

One Leader provided the focus of personal development and the need to empower others in order to be more successful. Its aim was to enable people to have more honest conversations and open up the possibilities within each other in order to manage the constantly evolving environment in which they found themselves following the merger. It facilitated more cohesiveness and cross-functional working. This awareness enabled people to take responsibility for more strategic issues and involved people at different levels in strategic issues, which previously had not been done. Coaching circles provided the space to discuss issues in more detail and gain different perspectives, which enabled managers to engage with the different strategic initiatives from a personal perspective.

One Leader was, however, only one aspect of the model aimed at facilitating change and changing the strategic direction of the company. Living No.1 also had a major influence on the company and focused on the individual and their vision of their own future as well as that of the company. It enabled people to align themselves with the new vision for the future. Alignment with the vision of the company enabled employees to be more motivated to implement the changes that the new vision called for. It could thus be argued by students that this had as much of a role to play in facilitating the changes in the company as One Leader.

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The case, however, highlights through Dove's comments about the Future Fit programme, that leadership was what was required to implement the strategic changes. One Leader is focused on leadership development and the positive results that were presented in the case demonstrate the enhanced leadership performance and a greater awareness of leadership within the company. It can thus be argued that it was successful in facilitating the implementation of the new strategic direction.

6 Conclusion

This case provides an opportunity for students and executives to understand the benefits and challenges of implementing an integral coaching programme to develop leadership within an ever-changing organisation. Students and executives will have increased their understanding of how to implement a coaching intervention programme within an organization and they will have gained insight into how it impacted Eagle from a systemic perspective. Eagle is currently the only company in South Africa that has instigated such an innovative and comprehensive coaching programme throughout an organization. This case therefore provides a rich example of how the implementation of this programme has enabled Eagle to break out of their controlling management organisation that viewed knowledge as the source of power, to an innovative leadership-driven organisation that recognizes people as the source of power in managing change.

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2. 9 x Anonymous management interviews (16-17, 23 October 2006)
3. Interview with Managing Director (20 November 2006)