THE EFFECT OF BUSINESS COACHING AND MENTORING ON SMALL-TO-MEDIUM ENTERPRISE PERFORMANCE AND GROWTH

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STATEMENT OF AUTHORSHIP

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research programme; and, any editorial work, paid or unpaid, carried out by a third party is acknowledged.

Bernadette Margaret Crompton
12 May 2012
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SUMMARY

This thesis aims to address the principal question of whether business coaching directly or indirectly enhances firm financial performance and growth. The present thesis incorporates four comprehensive and inter-related studies designed to investigate the contribution of business coaching to firm growth in cohorts of start-up companies and fast-growth firms. Exploratory in nature, and using qualitative and quantitative approaches respectively, Studies 1 and 2 aims to select, develop, and test suitable constructs, and to determine appropriate participants for Study 3. The objective of Study 3 is to quantitatively identify the effects of business coaching on firm revenue performance and percentage growth, with Study 4, using a qualitative approach, corroborating and extending these findings.

This thesis proposes that business coaching, which combines the interchangeable terms of mentoring (Clutterbuck & Megginson, 1999; Kram, 1988) and coaching (Brotman, Liberi, & Wasylyshyn, 1998), is an important and measurable element supporting SMEs. Extending the definition by Clegg, Rhodes, Kornberger, and Stilin (2005), the present thesis defines business coaching as: a collaborative relationship between experienced business coaches and entrepreneurial leaders, focussing on business goals, entrepreneurs’ development, and contribution to firm growth. A fundamental issue however, centres on measurement of effectiveness, return-on-investment (ROI) from business coaching, and the value to firms engaging business coaches (Leedham, 2005). Empirical research surrounding business coaching is limited, therefore, it is necessary to draw upon theory and evidence from executive coaching and other applicable domains (Clutterbuck, 2008). A review of the pertinent literature (Kauffman & Bachkirova, 2008; Laske, 2004) suggests that business coaching can be evaluated from physical and observable events, and/or alternatively, from perspectives of behavioural development and mental-emotional growth.

There are four main reasons for investigating relationships between business coaching, entrepreneur characteristics, and small-to-medium enterprise (SME) performance and growth within the context of a theoretically grounded framework. The first reason arises on account of a dearth of empirical research despite an emerging literature base (Grant, 2005). The cross-disciplinary nature of business coaching has given rise to a limited number of evidenced-based investigations emanating from disciplines such as psychology,
mentoring, business management, and leadership development, with workplace research focused mainly on executive coaching (Grant, 2003; Stober & Parry, 2005). Second, extant coaching research is based largely on case studies, with relatively few of these investigations embodying control methods to regulate causal factors and rule out competing factors (Grant, 2005). Third, research has not been conducted systematically to assess and measure the effect of business coaching on performance change, effectiveness, goal achievement, or entrepreneur efficacy within SME firms (Kilburg, 2000; Leedham, 2005; Peel, 2004). Finally, there is a paucity of research pertaining to antecedents and outcomes from business coaching within firms and entrepreneurial personality characteristics (Leedham, 2005; Peel, 2004; Stober & Parry, 2005).

LITERATURE REVIEW

Combining skills of coaching with mentoring experience, business coaching emanates primarily from the business management discipline, and centres on the formulation, implementation, and evaluation of cross-functional decisions through the maintenance of environments whereby people work collectively to achieve firm vision and objectives (David, 1991; Koontz, O’Donnell, & Weihrich, 1980). The systemic approach of business coaching is in contrast to executive coaching, which concentrates on individual performance (Peltier, 2001), and does not necessitate executive coaches having business experience. Based on an extensive literature review, 17 hypotheses are developed and subsequently proposed in order to test relationships between the business coaches’ role, coaching session focus, entrepreneur perceived business coaching result, coaching satisfaction, and effects of entrepreneur level of confidence on firm financial performance and growth.

Business coaches’ role. Coaches can perform various roles within firms, such as skill enhancement, performance improvement, learning and development, or respond to leaders’ changing agendas (Witherspoon & White, 1996). Using thought-provoking questions, and engaging in reflective practice, business coaches might place themselves in the position of sounding boards and assist entrepreneurs to assess firm performance by providing objective feedback, in addition to acting as advisors, advocates, or network facilitators (Bhide, 2000; Creane, 2006; Drucker, 2005; Garvey & Alred, 2001; Gibb, 2009; Leonard & Swap, 2005; Megginson & Clutterbuck, 2005).
**Business coaching session focus.** With the experience to recognise firm stages of growth, business coaches might initially concentrate on ensuring entrepreneurs have a clear vision and strategy, with the setting of appropriate goals, objectives, and tasks to achieve outcomes (Leedham, 2005; Leonard & Swap, 2005; Locke, 1996). Business coaching conversations might focus on customer requirements, goods and services production, or processes and procedures (Delmar, Davidsson, & Gartner, 2003; David, 1991; Leonard & Swap, 2005). Equally, business coaches might provide leadership development by enabling entrepreneurs to build relationships, manage firm politics and culture, and communicate clearly to employees (Compernolle, 2007; Garrett-Harris, 2006; Garvey, 2006).

**Business coaching result.** Coaching results are expected to lead to sound decision making, ideas and options generated for moving forward, fulfillment of objectives and goals, and heightened self-awareness (Garvey, 1996: Witherspoon & White, 1996). Whilst a few coaching studies (e.g., Olivero, Bane, & Kopelman, 1997) have focused on success outcomes, Kilburg (2000) asserted that findings in general indicate that coaching failed as the byproduct of verifiable business performance and growth. Notwithstanding, McGovern et al. (2001) identified intangible benefits of improved relationships emanating from executive coaching, as well as tangible impacts on productivity and quality. According to Bush (2005), effective coaching occurs when provided within a structured interaction using tools, models, and processes focussed on self-development and conducted with entrepreneurs motivated to achieve success. As Ludeman and Erlandson (2004) noted, outcome results are dependent on a wide variety of factors, such as commitment, and company culture, and that behavioural changes usually take 6-12 months to embed.

**Business coaching satisfaction.** Coaching satisfaction seems to occur as a result of a combination of elements including the establishment of trust and intimacy, a collaborative relationship, and providing entrepreneurs with an opportunity to reflect and gain insight (Auerbach, 2006; Rider, 2002; Stober, 2006, Witherspoon & White, 1996). In some situations, collaborative coaching can be conducted informally, allowing for different styles and personalities, whereas, at other times, business coaching works best when planning and preparation are well executed, with training provided on role expectations and responsibilities defined at the outset, with developmental support at intervals thereafter (Clutterbuck & Megginson, 1999; Edwards, 2004; Garvey & Alred, 2001). Moreover, Hall,
Otazo, and Hollenbeck (1999) identified positive coaching outcomes including acquiring new skills, broader perspectives, higher problem solving skills, and overall improved performance.

*Entrepreneur level of confidence.* Certain personality traits and characteristics are associated with entrepreneurial behaviour and business success, such as achievement motivation and risk taking (Begley, 1995; Collins, Hanges, & Locke, 2004). Entrepreneurs’ external locus-of-control has been linked to firm failure, while internal locus-of-control has been associated with an ability to successfully implement strategies and control outcomes (Boone, de Brabander, & Hellemans, 2000; Boone, de Brabander, & Witteloostuijn, 1996). Affecting motivation and actions, entrepreneurs with high self-efficacy are likely to improvise, execute novel actions, be goal orientated, believe in decisions involving their own abilities, and be conscientious about their emotional stability, resulting effectively in increased performance and goal attainment (Baum & Locke, 2004; Forbes, 2005; Hmielski & Corbett, 2008; Stewart, Palmer, Wilkin, & Kerrin, 2008). Additionally, self-efficacy can be a personal resource forming a buffer against stress, anxiety, and burnout (Jerusalem & Schwarzer, 2006).

As noted earlier, this thesis involves four inter-related studies. Table 1 shows the overall study design. The following sections provide overviews and findings of each study.

<table>
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<th>Aim</th>
<th>Method</th>
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<td>Semi-structured face-to-face interviews with business coaches and SME entrepreneurs</td>
<td>Business coaches (n=2) SME leaders coached (n=2)</td>
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<td>2</td>
<td>To establish outcome measures for business coaching</td>
<td>Pre-post pilot outcome study of SME entrepreneurs undertaking group training with one-on-one business coaching</td>
<td>Previous business coaching (n=45) versus No previous business coaching (n=80)</td>
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<td>3</td>
<td>To identify the contribution of business coaching to firm growth</td>
<td>Cross-sectional survey of fast-growth SMEs</td>
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STUDY 1: INVESTIGATION OF ENTREPRENEURS AND BUSINESS COACHES VIEWS REGARDING THE PROCESS AND OUTCOMES OF BUSINESS COACHING

Study 1 takes a qualitative approach with a small sample of business coaches, and entrepreneurs, engaged in business coaching and aims to explore the plausibility of business coaching classifications and assumptions. The main research question addressed is: How does business coaching contribute to entrepreneurs’ performance and firm growth?

Research Design

An inductive, grounded theory approach is used during the face-to-face interviews between participants and researcher (Guba & Lincoln, 1994), with interpretative methods providing meaning-making (Johnson & Duberley, 2000). Interview material is content analysed to reconstruct understandings from iteration (Strauss & Corbin, 1994), with text segmented into meaningful components with the present researcher constantly making comparisons to discover themes (Ryan & Bernard, 2000).

Method

Participants

Participants are two entrepreneurs receiving business coaching, and the two business coaches who provided coaching services to these entrepreneurs. Entrepreneurs are both male, aged between 35-45 years, tertiary educated, and SME founders of internally grown Australian operations with average annual gross revenue of $7-9 million over a three-year period. Business coaches are both male, aged between 50-60 years, have extensive business experience, and work with a professional company providing structured group training complimented by one-on-one business coaching services to entrepreneurial leaders.

Procedures

Face-to-face semi-structured interviews of approximately 50 minutes duration were conducted separately with each of the four participants on their business premises. Questions to business coaches sought understanding and interpretation of coaching and mentoring (Clegg et al., 2003; Kram, 1988; Whitmore, 1996). Participant interview questions concentrated on the influence, experience, focus, and measurement of business coaching and training (Gibb, 1997; Hurd, 2002; Kauffman & Bachkirova, 2008; Leonard & Swap, 2005; Megginson, Clutterbuck, Garvey, Stokes, & Garret-Harris, 2006; Ward, 2007).
Findings

The terms coaching and mentoring are utilised interchangeably according to the situation and the needs of entrepreneurs, thus supporting Clegg et al.’s (2003) interpretation of business coaching. Reasons for engagement differed with entrepreneurs wanting to expand their thinking and develop their potential (Clutterbuck & Megginson, 1999; Kets de Vries & Korotov, 2007b; Sztucinski 2001), whereas business coaches’ expectations were to increase performance and help to grow the business.

As expected (Fanashen, 2003), entrepreneurs rated a number of aspects of their coaching experience as very satisfying to extremely satisfying. Business coaches and entrepreneurs appear to share similar opinions on the focus of business coaching sessions, entrepreneurial drivers, business coaching experience, and business coaching measurement. Lifestyle and fast-growth entrepreneurs’ views are alike in regard to tools and models used by business coaches, focus of sessions, and measurement of business coaching but differ in other areas. For example, lifestyle entrepreneurs show a propensity of focus towards people compared to fast-growth entrepreneurs who leaned towards being task orientated. Overall, responses by business coaches and entrepreneurs emphasise the personal relationships that were developed and nurtured throughout the sessions (Witherspoon & White, 1999; Kilburg, 2000).

STUDY 2: ENTREPRENEURIAL OUTCOMES ASSOCIATED WITH PARTICIPANTS IN A STRUCTURED BUSINESS COACHING PROGRAMME

Building on the concepts raised in Study 1, the principal aim of Study 2 is to establish measures of business coaching. The overarching research question is: What difference, if any, does a structured programme make to entrepreneurs’ perceptions of business coaching? A further six research questions are addressed to assess entrepreneurs’ perceptions of the business coaches’ role, the main focus of business coaching sessions, and entrepreneurs’ level of satisfaction with business coaching.

Research Design

Data are analysed using descriptive, univariate, and multivariate statistical techniques to compare firm and entrepreneur characteristics and differences between participants having previous business coaching versus no previous business coaching experience. One-way
repeated measures Hotelling’s Trace tests (Tabachnick & Fidell, 2007) examine participants’ perceptions between pre- and post-test.

**Method**

**Participants**

Participants are 125 entrepreneurs from start-up firms who enrolled in a programme offering group training, with concurrent one-on-one business coaching. Of the participants, 36.0% (**n=45**) had secured the services of a business coach previously, and 64.0% (**n=80**) had not used a business coach. Coaches are 24 experienced business people with diverse backgrounds.

**Procedures and Measures**

At enrollment, participants complete a questionnaire tapping firm demographics, entrepreneur characteristics, and learning and development experiences. Upon programme completion, participants complete a questionnaire on perceptions of experience with business coaching. Measured on 7-point Likert scales, pre- and post-test items comprise three factors: business coaches’ role, business coaching session focus, and business coaching satisfaction. Recruited business coaches undergo training, and are matched appropriately with entrepreneurs.

**Findings**

Significant differences emerge with medium-large effects on measures assessing business coaches’ role, and medium effects on measures assessing business coaching session focus and business coaching satisfaction. These findings indicate that structured programmes can positively influence entrepreneurs’ experiences of business coaching. Further, findings suggest that the role of business coaches as advisors, network facilitators, and counsellors, with sessions focussed on firm production and customers, are viewed positively by start-up entrepreneurs (Gibb, 2009). Analyses culminated in no statistically significant differences between cohorts, indicating consistency of experience between entrepreneurs. Moreover, a structured programme is shown to be viewed positively by participants.

An important ingredient appears to be the appropriate matching between business coaches and entrepreneurs (Clutterbuck & Megginson, 1999). One premise of this thesis, that business coaching is a structured, goal focussed process based on collaborative
relationships and highly effective when undertaken by business coaches with practical experience, is supported (Clegg et al., 2003; Hall et al., 1999; Leonard & Swap, 2005). Experienced business coaches can offer entrepreneurs introductions to other networks and professional services, thus providing opportunities for entrepreneurs that they might not have had without such help (Bhide, 2000; Kurtzman, 2005).

**STUDY 3: DEVELOPMENT AND TESTING OF A MODEL OF BUSINESS COACHING AND FAST-GROWTH**

The aim of Study 3 is to identify the extent to which business coaching contributes to SME performance and growth. Inter-relationships are examined with two cohorts: entrepreneurs who had received business coaching versus entrepreneurs who had not received business coaching. The question addressed during this stage of the research is: *What contribution, if any, does business coaching directly or indirectly make to firm growth?*

**Research Design**

Study 3 takes a predictive, quantitative approach with two cohorts using 17 hypotheses developed for this thesis. Deductive and logical analysis is employed to control, predict, and demonstrate causal relationships (Cavana, Delahaye, & Sekaran, 2001). Factor analytical techniques examine the underlying patterns on variables (Hair, Black, Babin, Anderson, & Tatham, 2006). Structural equation modelling (SEM) methods are utilised to establish relationships between latent variables (Schumacker & Lomax, 1996), revealing the significance of business coaching on firm performance and growth.

**Method**

**Participants**

Participants are self-nominated business owners and entrepreneurial leaders of 200 private firms who responded to advertisements calling for Australia’s fastest growing SME firms (Walker, 2006). Known as the *BRW Fast100*, the survey included questions relating to business coaching as developed by the present researcher. Of the 200 participants, 50% (*n = 100*) had used a business coach and 50% (*n = 100*) had not used a business coach.
Procedures and Measures

An online cross-sectional survey was conducted tapping company demographics, growth generators, entrepreneur characteristics, and experiences with business coaching. Firm performance is measured according to average percentage revenue growth over four consecutive financial periods. Measured on 7-point Likert scales, items related to business coaching comprise variables on: business coaches’ role, coaching session focus, coaching result, and levels of coaching satisfaction. Measures of entrepreneur level of confidence involve assessment of locus-of-control and self-efficacy.

Findings

Results of directional hypothesis testing reveal reliable and robust fit between a proposed theoretical model and sample covariances: $\chi^2(111)=162.408, p=.019$, $\chi^2/df=1.266$, CFI=.943, TLI=.929, SRMR=.078, and RMSEA=.052. These indices suggest a good fit. In Figure 1, squared multiple correlation values show that this model accounts for 7% of the variance in coaching session focus, 37% of the variance in result of coaching, 27% of the variance in satisfaction with coaching, 10% of the variance in locus-of-control (internal), 32% of the variance in locus-of-control (external), 20% of the variance in self-efficacy, and 6% of the variance in firm growth. As shown in Table 2, nine of the 17 hypotheses are supported.

Drilling down into the hypothesised model reveals that business coaches acting as sounding boards and effective listeners, tend to focus during coaching sessions on vision, goals, and strategy, customers and production, thereby empowering entrepreneur’ self-efficacy and ultimately leading to firm growth. Comparisons between cohorts reveal non significant variations on locus-of-control and self-efficacy measures, thus ruling out the possibility of competing hypotheses. Confirmatory factor analytic techniques establish clear links between business coaching elements (coaches’ style, session focus, result, satisfaction), entrepreneurial level of confidence (locus-of-control, self-efficacy), and firm growth. SEM techniques suggest the result of business coaching is a non-direct influencer of firm financial performance and growth via entrepreneurial self-efficacy.
Figure 1. Tests of hypothesised model of influences of business coaching with entrepreneurs’ level of confidence factors on firm growth.

Table 2 Hypotheses and Test Results

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Standardized Parameter Estimate</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_{1a}$: Role $\rightarrow$ Focus</td>
<td>.26**</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{1b}$: Role $\rightarrow$ Locus-of-control (internal)</td>
<td>-.03</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{1c}$: Role $\rightarrow$ Locus-of-control (external)</td>
<td>.04</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{1d}$: Role $\rightarrow$ Self-efficacy</td>
<td>.37***</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{2a}$: Session Focus $\rightarrow$ Result</td>
<td>.61***</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{2b}$: Session focus $\rightarrow$ Locus-of-control (internal)</td>
<td>.39*</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{2c}$: Session focus $\rightarrow$ Locus-of-control (external)</td>
<td>.60**</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{3a}$: Result $\rightarrow$ Satisfaction</td>
<td>.52***</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{3b}$: Result $\rightarrow$ Locus-of-control (internal)</td>
<td>-.31</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{3c}$: Result $\rightarrow$ Locus-of-control (external)</td>
<td>-.72**</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{3d}$: Result $\rightarrow$ Self-efficacy</td>
<td>.24*</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{4a}$: Satisfaction $\rightarrow$ Locus-of-control (internal)</td>
<td>.04</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{4b}$: Satisfaction $\rightarrow$ Locus-of-control (external)</td>
<td>.19</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{4c}$: Satisfaction $\rightarrow$ Self-efficacy</td>
<td>-.07</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{5a}$: Locus-of-control (internal) $\rightarrow$ Growth</td>
<td>-.07</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{5b}$: Locus-of-control (external) $\rightarrow$ Growth</td>
<td>.13</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{5c}$: Self-efficacy $\rightarrow$ Growth</td>
<td>.19*</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note:*$p<.10$, **$p<.05$, ***$p<.01$. - - - > denotes non-significant relationship.
STUDY 4: IN-DEPTH EXPLORATION OF FAST-GROWTH ENTREPRENEURS EXPERIENCES OF BUSINESS COACHING

The aim of Study 4 is to extend and corroborate findings from Study 3 by collecting additional data on entrepreneurs’ business coaching experiences. A representative sample of entrepreneurs from Study 3 are interviewed for their retrospective views on business coaching. The overarching research question addressed in Study 4 is: What have been the experiences of fast-growth entrepreneurs when receiving business coaching?

Research Design

Study 4 adopts an inductive qualitative approach. Interpretive methods allow researchers to experience realities in different ways and uncover the richness and complexity of entrepreneurs’ thinking and criticisms by centering on subjectivity and relatively narrow foci through content analysis of interview data collected (Cavana et al., 2001). Using a triangulated approach not only provides a balance between quantitative and qualitative data, but also furnishes practical and theoretical evidence for advancing conclusions (Saunders, Lewis, & Thornhill, 2000).

Method

Participants

Participants are 39 self-nominated entrepreneurs who agreed to be interviewed following the completion of the BRW Fast100 annual survey, the findings of which are reported in Study 3.

Procedures and Measures

Interviews were conducted over the telephone for durations between 15 and 30 minutes. With informed consent, conversations were tape-recorded for research purposes and reported anonymously. Interview questions tapped entrepreneurs’ need for business coaching, their perception of the experience, and the contribution, if any, business coaching made to firm growth.

Findings

Interviews with entrepreneurs affirm a positive association between business coaching experience and business performance and growth. Entrepreneurs utilise business coaches as sounding boards, motivators, and for advice and clarification, enabling them to
look at their firms from different perspectives. Business coaches are split between employing tools or models, and working informally with no or little structure. Entrepreneurs measure the effectiveness of business coaching by results, achievement, and winning work. However, a sizeable proportion of entrepreneurs do not measure business coaching objectively, instead relying on how good they feel about the experience and their personal development.

Study 4 suggests that rather than focusing on bottom-line results, entrepreneurs seek mainly to absorb business coaches’ experiences and knowledge, develop leadership and business skills, share points of view or ideas, and gain new perspectives. While it is apparent that particular coaching styles appeal to different entrepreneurs, having trusting relationships with business coaches appropriate for their stage of firm growth, leadership need, and personal development are considered paramount.

**CONCLUSION**

This thesis aimed to examine the effects of business coaching on SME performance and growth. Findings establish linkages between business coaching and entrepreneurs’ level of confidence, and identified that business coaching, as an antecedent to entrepreneurial level of confidence (self-efficacy), is a non-direct influencer of firm performance and growth. Having said that, the present research highlights that quantitative indicators alone do not tap the full influence of business coaching (Cavana et al., 2001). Findings demonstrate clearly the importance of qualitative approaches by identifying that business coaches’ experience and knowledge, in addition to trust engendered throughout relationships are as important to outcomes as so called hard, bottom-line results. Moreover, findings suggest that firms and entrepreneurs who engage business coaches report deriving practical benefits that culminate in real firm financial performance.

A salient observation of this study is that specific components of business coaching variables work in concert to engender a sense of satisfaction with entrepreneurs’ experience. Business coaching satisfaction emanates from the role played by coaches, the focus of sessions, and the results achieved. The amalgam of these factors impact entrepreneurs’ self-efficacy enabling them to solve problems, find appropriate solutions and handle situations, resulting in firm growth. Proposing a systematic and comprehensive method of measuring
outcome evaluation, a Business Coaching and Firm Growth model is not only established, but also tested empirically. Providing evidence for the positive association between business coaching’s effectiveness and firm performance and growth, these findings have both practical and theoretical implications and form the groundwork for future research to be conducted on outcome-based business coaching.
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CHAPTER 1: INTRODUCTION

Overview

Chapter 1 overviews the purpose and background for the present thesis and discusses the rationale. This thesis involves four investigations, the research objectives of which are outlined, and methods utilised, are reported. The current chapter concludes by highlighting the significance of this research and describing the overall thesis structure.

Purpose

The purpose of this thesis is to establish the extent, if any, to which business coaching is an enabler or driver of financial performance and growth in small-to-medium enterprises (SMEs). Operating in competitive and turbulent environments, rapidly developing SMEs strive to increase performance consistently and produce robust financial results. Coupled with expectations to lead effectively, entrepreneurs, business owners and other senior executives can face pressures of aloneness, lack of feedback, or operational ineptitude (Cooper & Quick, 2003). To offset these pressures, entrepreneurs seek experienced mentors to act as sounding boards or engage coaches to work with them to attain milestones, reach market performance indicators, and to achieve business goals (Clutterbuck & Megginson, 1999). A fundamental issue however, centres on measurement of effectiveness, return-on-investment from business coaching, and the value to firms engaging a business coach (Leedham, 2005).

Mentoring is based primarily on the experience and wisdom brought by mentors to relationships (Clutterbuck & Megginson, 1999). By contrast, coaches operate across a broad range of categories, are skilled in ubiquitous techniques and competencies, and are not necessarily experienced in the domain in which they operate (Brotman, Liberi, & Wasylyshyn, 1998). Despite the emergence of the coaching industry in the 1990s, the nature of business coaching, compared to other forms such as executive or personal coaching, is not clearly understood and appears to be still in its infancy (Clegg, Rhodes, Kornberger, & Stilin, 2005). Business coaching has been defined as a collaborative relationship within which coaches bring business experience and focus primarily on firm performance, business goals, and individuals’ contributions to that end (Clegg, Rhodes, & Kornberger, 2003).
Proposing that business coaching, which in essence combines mentoring and coaching, is an important and measurable element supporting SMEs, this thesis makes a systematic and thorough examination of its contribution to firm performance. The present research, using quantitative and qualitative methods, incorporates four comprehensive studies designed to investigate the contribution of business coaching to firm growth in cohorts of start-up companies and fast-growth firms. Relationships between the business coach role, business coaching session focus, and entrepreneur perceived business coaching satisfaction and business coaching results, are established and tested. Effects of entrepreneur personal characteristics are examined. The background influencing this study is outlined in the next section.

**Background**

In today’s competitive environment, entrepreneurs and SME owners face increasing market pressures and expectations of sustained performance and growth. As firms embarking on growth trajectories increase in size and complexity, entrepreneurs lacking in experience find that standard academic training does not adequately address the problems and challenges encountered in day-to-day operations (Sexton, Upton, Wacholtz, & McDougall, 1997; Bennis & O’Toole, 2005). Entrepreneurial leaders want individual concerns within situational differences addressed, and general education has not, in the past, been able to fill that gap (Knowles, Holton, & Swanson, 1998). Mentoring, with roots from centuries-past as an age-old tradition of pairing experienced mentors with less-experienced persons for their advancement (Kram, 1983), has been used informally by leaders to compliment, or as an alternative to, academic education. To further bridge that breach created by traditional methods of learning and development, coaching with its emphasis on outcome identification, goal setting, progress, achievement, and accountability has been embraced by leaders wanting to obtain direction and quick results (Zeus & Skiffington, 2002).

However, since the emergence of the unregulated coaching industry, it appears that very little coaching literature has adopted empirically solid theoretical grounding (Grant & Cavanagh, 2007). At present, coaching brings a wide range of theories and methodologies to practice from backgrounds such as business, consulting, mentoring, counselling, human
resources, training, and psychology (Greene & Grant, 2003). Perhaps surprisingly, coaches require no formal qualifications or credentials to practice. While it has been argued by some that individuals do not need to have business backgrounds in order to practice business and executive coaching (Zeus & Skiffington, 2002), without such a background, it would be difficult for coaches to empathise with commercial and organisational challenges faced by leaders (Brotman et al., 1998). Thus, it seems that understanding how firms proceed through periods of conceptualisation, growth, and stability (Delmar, Davidsson, & Gartner, 2003) is an essential element of effective business coaching. Other factors such as firm age, size, and industry growth rates (Greiner, 1998) can influence coaches’ roles and foci of sessions, adding further weight to the need for business experience.

The ways in which business coaching sessions are conducted have been heavily influenced by standard consulting frameworks with methods of operating, techniques, and delivery processes (Block, 2000). Business coaches experienced in commercial realities and contextual challenges are highly likely to be informed on the usage of such processes and techniques for effective interaction with appropriate leaders. Some of the more classic and contemporary theories underpinning the business management discipline have been adopted and extensively used by coaches, for example Porter’s (1980) five forces model, and Kaplan and Norton’s (1996) balanced scorecard. Business coaches taking an open systems view will work with most, if not all areas within firms, to ensure that individuals and groups meld synergistically to serve society and mankind (Mink, Shultz, & Mink, 1991). While methodology, processes, and techniques might be of utmost importance to business coaches, the particular process by which coaching is conducted recedes owing to leaders’ primary expectation of open and honest feedback, and measurable results (Hall, Otazo, & Hollenbeck, 1999). Moreover, paramount to business coaching session satisfaction is the trust fostered between coaches and leaders within the confidential nature of a relationship (Kilburg, 2000).

Leaders choose business coaches for a variety of reasons, and similar personal characteristics can influence hiring decisions. It has been said that business coaches sympathetic to entrepreneurial attributes are better placed to understand and question leaders’ achievement needs, risk-taking, and tolerance of ambiguity (Begley & Boyd, 1987a) than coaches who have no such background. For example, strong self-efficacy (Forbes, 2005) and internal locus-of-control (Boone, de Brabander, & Hellemans, 2000) have been associated
with firm performance. Nevertheless, Wijbenga and van Witteloostuijn (2007) demonstrated that locus-of-control and entrepreneurial orientation towards strategic innovation is dependent on dynamic environmental conditions. Referring to systemic organisational development theories, Kilburg (2000) contended that coaches require a foundation in psychodynamic theories in order to appreciate the dynamic interactions between individuals and firms. Although it could be argued that behavioural development is measurable (Laske, 2004), very few coaching outcomes are determined by cause-and-effect evidence (Grant, 2005) or return-on-investment criteria (Bolch, 2001).

The approach to business coaching taken in this thesis draws on personality characteristics, learning evaluation models, business discipline, growth theories, and although scant in nature, prior coaching and mentoring research. On the basis of the purpose and background outlined above, the following sections detail the rationale and research objectives of this thesis.

Rationale

There are four main reasons for investigating relationships between business coaching, leader characteristics, and SME performance and growth within the context of a theoretically grounded framework. The first reason arises on account of a dearth of empirical research despite an emerging literature base (Grant, 2005). Clegg et al. (2005) highlighted a lack of rigorous research on business coaching. The cross-disciplinary nature of business coaching has given rise to a limited amount of evidenced-based investigations emanating from disciplines such as psychology, mentoring, business management, and leadership development (Grant, 2003). Further, Stober and Parry (2005) noted that workplace research to date has focused mainly on executive coaching.

Second, current coaching research is based largely on case studies and focused mostly on processes and technique application, with relatively few of these investigations embodying control methods to regulate causal factors and rule out competing factors (Grant, 2005). Studies using cross-sectional measures of business coaching versus no business coaching have not been thoroughly and systematically researched, and rigourously tested with entrepreneurs and firm owners. Third, research has not been systematically conducted using business coaching interventions to assess and measure performance change,
effectiveness, or efficacy within business contexts (Kilburg, 2000). In particular, the impact of business coaching on SME firms (Peel, 2004) and business goal achievement (Leedham, 2005) has not been investigated. As advocated by Leedham (2005), the coaching process involving business coach role, business coaching session focus, and their relationship to financial performance outcomes, have not been evaluated adequately, if at all.

Finally, in relatively recent times, Stober and Parry (2005) called for coaching research to include a focus on characteristics such as leaders’ personality, demographics, and environmental factors. A review of the relevant literature indicates a paucity of research pertaining to antecedents and outcomes from business coaching within firms (Leedham, 2005). For example, coaching effects have included cultural impacts on business goals (Peel, 2004), but not personality characteristics of entrepreneurs and business owners. The present research objectives are outlined in the next section.

Research Objectives

The primary objective of this thesis is to establish the extent to which, if any, business coaching acts as an enabler to firm performance and growth, by developing an empirically-based framework for evaluating business coaching outcomes. The present research comprises four inter-related studies, the first two of which are exploratory by nature. A mixed-methods design incorporating quantitative and qualitative approaches is utilised (Creswell, 2003). The research design for the current thesis is presented next.

Research Design

The design underpinning this thesis is a mixed-methods approach involving sequential data collection leading to a pragmatic understanding of the research problem posed (Creswell, 2003). A triangulated approach can help to establish relationships between quantitative and qualitative methods, enriching findings (Saunders, Lewis, & Thornhill, 2000). Over three decades ago, Jick (1979) advocated triangulation as a way of identifying unique variances over and above single method use, as well as cross-checking internal consistency and reliability. Triangulated quantitative and qualitative designs can be employed as one method to reduce common methods bias (Creswell, 2003).
Quantitative measures take a deductive positivist approach to statistically analyse data and predict events (Cavana, Delahaye, & Sekaran, 2001). Using structured methodologies and establishing hypotheses a priori (Saunders et al., 2000), post-positivist approaches begin with theory, might collect data through pre-test and post-test measurement to either support or refute hypotheses, and finally make revisions before collecting additional data (Creswell, 2003). In contrast, qualitative procedures take an interpretive stance to reconstruct understandings from iteration between participants and researcher (Guba & Lincoln, 1994). Cavana et al. (2001) argued that while positivism remains objective owing to separation from participants during data gathering, human activities can lose meaning when reduced to numbers. Hill and Wright (2001) recommended SME circumstances (e.g., environment, industry, organisational structure) and entrepreneurial orientation (e.g., personalities) are best portrayed through qualitative research. While interpretive approaches allow researchers to experience realities in different ways and uncover the richness and complexity of peoples’ thinking, criticisms centre on subjectivity and relatively narrow foci (Cavana et al., 2001).

Using quantitative or qualitative techniques in isolation can lead to an incomplete picture of cohorts under investigation. Caracelli and Greene (1993) advocated transforming data during statistical or thematic analysis to obtain an integrated depth of understanding using overlapping conceptualisations of phenomena to guide qualitative methods for independent triangulation. Jack and Raturi (2006) pointed out that a complementary interface must reinforce similarities across studies. Jick (1979) cautioned that, while triangulation enables researchers to have greater confidence in results, the approach will not compensate for weaknesses in single method research. It is for these reasons that a mixed-methods approach was employed for the present thesis. The overall study design follows next.

**Study Design**

As stated previously, the present research consists of four inter-related studies. In order to present a broad-brush picture of the methodology and cohorts used, Table 1.1 provides the overall research design of this thesis.
Table 1.1 Overall Research Design

<table>
<thead>
<tr>
<th>Study</th>
<th>Aim</th>
<th>Research Question</th>
<th>Method</th>
<th>Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study 1</td>
<td>To explore plausibility of classifications and assumptions</td>
<td>How does business coaching contribute to firm growth?</td>
<td>Semi-structured face-to-face interviews with business coaches and SME entrepreneur/leaders</td>
<td>Business coaches (n=2) SME leaders coached (n=2)</td>
</tr>
<tr>
<td>Study 2</td>
<td>To establish outcome measures for business coaching</td>
<td>What difference, if any, does a structured programme make to entrepreneurs' perceptions of business coaching?</td>
<td>Pre-post pilot outcome study of SME entrepreneurs undertaking group training with one-on-one business coaching</td>
<td>Previous business coaching (n=45) versus No previous business coaching (n=80)</td>
</tr>
<tr>
<td>Study 3</td>
<td>To identify the contribution of business coaching to firm growth</td>
<td>What contribution if any, does business coaching make directly or indirectly to firm growth?</td>
<td>Cross-sectional survey of fast-growth SMEs</td>
<td>Business coaching (n=100) versus No business coaching (n=100)</td>
</tr>
<tr>
<td>Study 4</td>
<td>To corroborate findings from Study 3 by exploring entrepreneurs’ experiences</td>
<td>What are the experiences of fast-growth entrepreneurs when receiving business coaching?</td>
<td>Semi-structured telephone interviews involving entrepreneurs of fast-growth SMEs</td>
<td>SME entrepreneurs business coached (n=39)</td>
</tr>
</tbody>
</table>

Studies 1 and 2

Principally, Studies 1 and 2 aim to pilot test instruments, survey and interview methods, explore leader perceptions of business coaching, and establish appropriate participants for further study.

- Study 1: Face-to-face interviews are conducted to explore experiences of business coaches and entrepreneur/leaders who have received business coaching. An inductive qualitative approach is used to content analyse interview material gathered on business coach and entrepreneurs’ perceptions of their business coaching experiences.

- Study 2: The main aim of this study is to establish outcome measures for business coaching. A quantitative approach evaluates the inter-relationships of firm characteristics, entrepreneurs’ perceptions, and ratings of satisfaction with business
coaching experiences following participation in a structured business coaching programme. Multivariate statistical techniques are used to compare two cohorts: entrepreneurs who have received business coaching previously with entrepreneurs with no prior business coaching experience.

**Studies 3 and 4**

Building on the first two studies, Studies 3 and 4 seek to identify through the extent to which business coaching contributes to SME performance and growth.

- **Study 3**: This study examines inter-relationships between firm characteristics (e.g., industry sector, firm age, number of employees), leader characteristics (e.g., leader age, gender, academic qualifications), and personality attributes. To compare firm growth rate, a predictive, quantitative approach is taken with two cohorts: leaders who have received business coaching versus leaders who have not received business coaching. Exploratory and confirmatory factor analytic techniques establish measures on the role of business coaching, the primary focus of business coaching sessions, leaders’ perceptions of business performance results, and levels of satisfaction with business coaching. Structural equation modelling and multivariate regression methods reveal the significance of business coaching on business performance and growth.

- **Study 4**: This study aims to extend and corroborate Study 3 findings by collecting additional data on leader business coaching experiences. Taking an inductive qualitative approach, a representative sample of entrepreneurs from the cohort utilised in Study 3 is interviewed by telephone. Interview material is content analysed and implications and limitations are discussed.

Findings from the four studies provide a comprehensive representation of the degree to which business coaching facilitates firm growth. A summary of the significance of this thesis follows next.

**Significance**

This thesis adds significantly to the apparent dearth of literature on business coaching, within the context of a theoretically grounded framework. By systematically
evaluating linkages between a number of pertinent factors (e.g., business coach role, business coaching session focus, leader perceived business coaching satisfaction and result, and leader personal attributes), relationships between business coaching and firm performance and growth are established. Findings suggest that firms and entrepreneurs engaging in business coaching can benefit from the theoretical, empirical, and practical implications emanating from this study.

**Thesis Structure**

This section provides an overview of the remaining seven chapters contained in the current thesis. Chapter 2 involves an extensive review of the relevant literature, leading to a conceptual framework for business coaching. Business growth theories, learning and evaluation models, and research on coaching and mentoring relating to business performance and growth are reviewed and discussed, and hypotheses are developed. Chapter 3 outlines a justification for the research design employed.

Chapter 4 reports on Study 1. Exploratory in nature, a qualitative methodology is used for Study 1, including details of participants, data collection procedures, findings and discussion of interview material, and summary and limitations. Utilising a quantitative methodology, Chapter 5 reports on Study 2 including participants, data collection procedures, statistical procedures, and a discussion of results are detailed. Chapter 5 concludes with a discussion of Studies 1 and 2, and sets the direction for Study 3.

Chapter 6 reports on Study 3. Quantitative, analytic techniques are used to reveal the significance of business coaching on business financial performance and growth. Chapter 7 reports on Study 3, a qualitative investigation. Respectively, methodologies used for each quantitative and qualitative study includes details of participants and data collection procedures. Chapter 7 concludes with a discussion of Studies 3 and 4, and provides recommendations for future research.

Chapter 8 reviews the original research problem and research questions, and draws together key aspects of the four studies culminating in a Business Coaching and Firm Growth model. Implications for theory and practice, and significance of the present research are presented.
CHAPTER 2: LITERATURE REVIEW

Overview

As outlined in Chapter 1, the objective of this thesis is to establish to what extent, if any, business coaching acts as an enabler to SME performance and growth. This research develops a framework linking variables, stemming from business coaching provided to entrepreneurs and business owners, to the growth and performance of SME firms.

The present chapter begins with an examination of factors impacting SME performance and fast-growth firms, with the learning needs and characteristics of entrepreneurs and business owners outlined. An overview is provided of coaching and mentoring literature, and the major influencers underpinning business coaching are presented. Finally, a conceptual framework based on pertinent variables is given together with testable hypotheses.

Small-to-Medium Enterprises (SMEs), Fast-Growth, and Entrepreneurs

This section overviews the relevant literature on SMEs and conceptualisations of firm growth. Determinants of fast-growth firms, together with internal and external factors impacting SMEs, are outlined. After introducing the characteristics of entrepreneurs, the section ends with an examination of the learning needs of entrepreneurs and a review of the impact of business coaching on firm growth.

Small-to-Medium Enterprises

Definitions on what constitutes a SME vary, but, as Storey (1994) identified, mainly centre on an ability of firms to create employment, with numbers of employees being a common measure. Notwithstanding, classifying categories of SMEs by number of employees differs where, for example, Storey (1994) broadly defined small firms as having less than 200 employees. More recently, Feindt, Jeffcoate and Chappell (2002) maintained that companies involving between 100-499 employees can be regarded as medium-sized. The Commission of the European Communities (2003) concurred on using staff headcount as a criterion for size while categorising SMEs as comprising between 10 and 250 employees. In contrast, the Australian Bureau of Statistics (1999) has adopted four classifications for numbers of people in non-agricultural businesses with: micro firms consisting of less than
five people; small firms involving 5-20 people; medium-sized firms employing between 20-200 people; and large firms having 200 or more employees.

There are many variables which impact upon SME growth. Regardless of employee size, it is acknowledged that all firms, whether for-profit or not-for-profit, operate on the same basic tenet, that is for the purpose of producing, selling, or imparting goods and services according to customer wants and needs (Finkelstein, Harvey, & Lawton, 2007). However, a complex mix of factors such as stage of growth, shareholder influence, product or service offering, customer demand, global reach, personnel expertise, and ability to react to change inter alia, meld together to impact desired performance levels (Delmar et al., 2003). While metrics on goods and services production can differ according to industry with key determinants such as age, asset base, annual sales, and ownership type affecting firm performance (Khan & Rocha, 1982), SME growth can be measured equitably in terms of market share, sales, profit or earnings per share (Page & Jones, 1990c).

Following, is an overview and conceptualisation of the stages of firm growth.

**Conceptualisations of Firm Growth**

Most firms progress in varying degrees of overlap, trajectory or reversion through stages of growth from birth and survival, to expansion, professionalisation with formal structures and systems, then to a consolidation of efforts, and finally to bureaucratisation (Delmar et al., 2003). With many competing forces influencing activity and strategic direction, growth through the full spectrum is not necessarily a linear process, taking as little as three years in some cases while in others as long as 10 years to move from concept to the commercialisation of products and services (Reynolds & Miller, 1992). Birch (1979) contended, more than three decades ago, that growth within a given context of influencing factors is a predictor of entrepreneurial activity. Moreover, Gartner (1983) pointed out that a number of explanations contribute to new firm creation and growth, including entrepreneur characteristics, type of organisation, current environment, and actions taken to form and stimulate firm longevity.

Kaplan and Norton (1996) emphasised that critical to understanding growth and profitability are the evaluation of business differentiators, level of competitiveness, customer choice and market demand for products and services, and total revenue less costs together
with internal operational capabilities. In addition, firm demographics such as age, size, and industry add a level of multi-dimensionality and impact growth, profitability, degree of risk, internal control, and thus performance (Delmar et al., 2003). Entrepreneurial managers having the ability to understand internal and external drivers which call for robust leadership, sound business structures, management focus, system controls, and reward structures are better able to survive in turbulent environments and hence grow sustainable businesses (Greiner, 1998). As depicted in Figure 2.1, firms continually evolve through various stages of growth, with internal and external factors influencing entrepreneurial activity.

![Figure 2.1](image)

*Figure 2.1. Firm stages of growth and influencing factors.*

In the start-up phase of growth, an entrepreneur and perhaps one or two others are involved in the vision, strategy, and direction setting of the organisation, as well as the operations management (Page & Jones, 1990a). Commenting on business size and company maturity, Churchill and Lewis (1983) advocated that firms do not necessarily take a linear trajectory to growth but are tempered by number of customers, product capability and delivery, and available funding. As markets expand, more resources are needed and with that come responsibility for managing people effectively, therefore firms that have efficient processes in place to guide the actions of people in the production of goods and services, have a higher likelihood of survival and growth (Gerber, 1995; 2005). Whilst resistance to bureaucracy can mean flexible and fast approaches to customer requirements, as SMEs grow larger factors that can derail a firm include loose controls or systems that are non-existent
Business coaching and SME growth

Moreover, recurring problems in SME growth stem from ineffectual managerial practices around the internal operation of marketing, accounting, inventory control, and cash flow areas (Khan & Rocha, 1982).

However, growth comes at a cost with Moreno and Casillas (2007) finding, after examining various databases comprising 6,814 SMEs, that while high-growth firms had higher degrees of resources and capabilities at their disposal, they were less likely to have the dexterity to react quickly to market forces in the same manner as moderate-growth firms. Hands-on approaches by entrepreneurs might be appropriate at early stages of growth where tight controls need to be kept and resources stretched thinly, but with growth comes the need for a more external focus (Sperry, 1994), establishment and implementation of processes and procedures, and emphasis on long-term strategies as prerequisites to efficiently and profitably run an organisation (Sexton et al., 1997). Chan, Bhargava, and Street (2006) asserted that managerial capabilities, coupled with effective leadership, were essential ingredients to ensure that firms maintain a flexible approach to market forces as they grow in size. Moreover, Schenkel, Azriel, Brazeal, and Matthews (2007) suggested that previous experience starting a business, together with current environmental conditions, predict entrepreneurial intentions and firm growth attractiveness. However, Gibb (2009) argued that firm size is not due to environmental uncertainty or complexity, but rather a function of entrepreneurs’ values and drivers.

Sperry (1994) claimed that a different style of leadership is needed as firms grow in size whereby entrepreneurs face new challenges of competitive forces and resource management. Firm growth is achieved through people, and unlike the industrial revolution where workers were issued instructions to be obeyed (Carey, 1967), people today are expected to have self-awareness, know their strengths and weaknesses, and be self-motivated (Drucker, 2005). For example, when coming from technical backgrounds in particular, leaders need to learn how to effectively manage and delegate (Gerber, 1995), and then evaluate performance (Kaplan & Norton, 1996). Bachkirova (2004) recommended gaining an understanding of self which would assist leaders’ professional development and act as a starting-point in dealing with motivation and change amongst employees.

Independently evaluating comparative cross-national studies, Ellinger, Hamlin and Beattie (2008) collectively concluded that inhibitory managerial coaching behaviours
included autocratic, directive, controlling, and dictatorial styles that were ineffective when working with employees. Moreover, in order to be effective during times of growth, production of goods and services must be controlled by people sufficiently skilled and incentivised to behave, act, and work together to achieve organisational vision and objectives (David, 1991). Based on a series of interviews with entrepreneurs of rapidly growing SMEs, Nicholls-Nixon (2005) advocated leaders build relationships, manage organisational politics, and share a clear vision with employees in order to sustain growth.

An outline of the characteristics of fast-growth firms follows next.

**Fast-Growth Firms**

Fast-growth firms first came to the attention of researchers almost three decades ago. Carland, Hoy, Boulton, and Carland (1984) contended that entrepreneurial ventures differed from small businesses in that they engage in innovative, strategic practices for the purpose of growth and profitability. According to Storey (1994) very few small businesses have the capability to consistently achieve fast growth. This view was shared by Birch (1979) who estimated that fast-growth is achieved and maintained by only 3% of small companies. Attempting to categorise fast-growth presents different interpretations of firm trajectory, such as compound sales growth of 20% from a revenue base of $100,000 (Feindt et al., 2002), and elsewhere, in excess of 40% growth rate per annum on revenue (Page & Jones, 1990a). In the Australian market fast-growth was nominated as 35% compound sales growth over three years (Gome, 2004), while in the USA rapidly growing technology firms achieved 80% compound sales growth over the same period (Barringer, Jones, & Neubaum, 2005). Lesonsky (2007) commented that only 2% of US companies, termed “gazelles” and generally found in the more active high-technology industries, accounted for fast-growth firms while creating 68% of new jobs.

After researching more than 1,500 commercially active firms in the private sector with more than 20 employees to determine sales and employment contribution to high growth, Delmar et al. (2003) concluded that relative sales growth percentage was too narrow a criteria and contended that rather than high-growth occurring consistently across businesses, it is multi-dimensional with characteristics such as firm age, size, and environment instrumental to achieving growth. However, Markman and Gartner’s (2002)
research with high-growth companies, known as the *Inc. 500*, revealed that sales and number of employees did not equate to profitability, whereas firm age was related to profitability. Chandler and Hanks (1993) warned that while founder self-reported measures of growth and business volume are valid constructs for performance measurement, using satisfaction with performance as a measure, was not supported by evidence.

Younger, high-growth firms would appear to need to invest heavily in resources and infrastructure in order to maintain growth. Significant contributors to fast-growth include having innovative products, unique selling skills, product quality, and high-profile leadership (Page & Jones, 1990b), as well as geographic expansion strategies (Barringer & Greening, 1998), and continued investment towards expanding the product range with advancement into new markets (Hay & Kamshad, 1994). Other elements contributing to fast-growth include strategic management, tight business control, and good leadership, coupled with people development during the early stages of growth (Page & Jones, 1990a). Jennings and Beaver (1997) noted that successful companies focussed on objectives and carefully managed financial forecasting and cashflow. In an early study of 500 fast-growth US companies, Shuman, Shaw, and Sussman (1985) found that more than half did not have a formal strategic plan prior to business commencement. However, a later study by Upton, Teal, and Felan (2000) reported that, of family firms surveyed, 7% had a written formal business plan to track actual performance, 35% had a one-year time horizon, and 50% had a three-year or more time horizon.

Dominant problems encountered by most fast-growth firms centre on obtaining financial capital (Terpstra & Olson, 1993), with high-technology ventures seeming to be the exception (Corman, Perles, & Vancini, 1988). Many entrepreneurs use personal savings or loans from family and friends to kick-start ventures (Bhide, 2000). In an archival study of firms within the service industry, Khaire (2005) asserted that social resources in the form of affiliations and network contacts aided growth, while in some cases firms have access to government grants or are advanced enough in their growth phase to engage in capital raising (Kalis, 2001). However, issues for investors surround entrepreneurs’ experience and ability to effectively manage large sums of capital, whilst growing businesses at a fast rate (Bhide 2000).
Examining growth over the previous decade for 200 companies from a range of industries, Anthony, Johnson, and Sinfield (2008) found that firms engaging in innovative, disruptive technologies had systems and structures that helped underpin and drive growth. Similarly, Davila, Foster, and Jia (2010) found that, based on research over the previous decade, some entrepreneurs’ resistance to adopting systems and processes inhibited growth, while entrepreneurs that embraced a more managerial approach to business were more likely to succeed than not. Further, Mitra (2005) postulated that high-growth firms were more likely to invest in infrastructure to support and automate systems, and processes, in order to sustain growth. In addition, St-Jean, Julien and Audet (2008) identified, after interviewing seven firms, that having suitable staff is critical to travelling a sustainable growth trajectory, while lack of suitably skilled resources becomes a significant hindrance. According to research, impediments to growth can include: competitive intensity particularly at times of economic downturn (Hay & Kamshad, 1994); geographic expansion without sufficient planning or management controls (Barringer & Greening, 1998); and ineffective management (Jennings & Beaver, 1997). However, Delmar et al. (2003) failed to provide any significant correlation between processes or relationships that might contribute to firm growth. Nevertheless, Hamm (2002) claimed that entrepreneurs who were able to confront their shortcoming, accept feedback, and were open to learning, were more likely to successfully scale-up operations to achieve firm growth.

As identified by St-Jean et al. (2005), the motivation of entrepreneurs to focus on end-goals, coupled with an ability to adjust capacity to market forces by locating nearby to customers, is particularly important to growth. Together with lack of motivational desire to succeed, it has been mooted that inhibitors to growth can arise from gender issues, need for security, and entrepreneurs’ personality characteristics (Mazzarol, Volery, Doss, & Thein, 1999). Although nascent entrepreneurs with strong social networks also had high self-efficacy and were therefore more likely to be motivated to succeed (Sequeira, Mueller, & McGee, 2007), Chandler and Hanks (1993) reported that not all founders want fast-growth and some actively resist overtures of investment. Founder resistance to growth can be based on a desire to maintain lifestyle in preference to having shareholder interference (Hay & Kamshad, 1994).

Salient entrepreneur characteristics are presented in the following section.
Entrepreneur Characteristics

It would seem that the interpretation of entrepreneurial characteristics has remained consistent over the past three decades. Early research identified entrepreneurs as founders and managers of their own firms who have objectives of attaining growth and profit (Carland et al., 1984). Although founders of firms are more likely to achieve faster growth rates than non-founders (Begley & Boyd, 1987b), some entrepreneurs invent products without regard for customer demand, production costs or marketing requirements, and might not start companies to commercialise their ideas (Stancill & Gumpert, 1981). Serious entrepreneurs generally initiate and grow businesses on the basis of need existing in the marketplace with profit to be made from providing products and services (Bhide, 2000). However, distinctions between inventors and entrepreneurs blur when entrepreneurs with innovative orientations operating in high-technology companies are shown to have high achievement needs, desire for autonomy, and openness to experience (Johnson, Newby, & Watson, 2005). Notwithstanding, research by Markman, Baron, and Balkin (2005) with 217 patent inventors, indicated that entrepreneurs had significantly higher self-efficacy and perceived greater control over adversity and achieving outcomes, compared to non-entrepreneurs.

Frequently cited benefits of entrepreneurship include independence, decision making, and freedom (Boyd & Gumpert, 1983). Wanting to exert control over their environment (Bandura, 1992), entrepreneurs’ reasons for starting businesses can emanate from dissatisfaction with current job or circumstances to not wanting to be controlled by others, thus fuelling their desire to venture out on their own (Corman et al., 1988). Equally, reasons for business start-up can include wanting to innovate, achieve self-realisation, wealth creation, financial success, the challenge of doing business, and independence, which are possibly not different from individuals’ reasons for making career choices (Carter, Gartner, Shaver, & Gatewood, 2003). However, independence brings psychological and financial pressures to bear on small business owners (Gibb, 2009). As identified by Douglas and Shepherd (2002) in a study with 300 alumni, preference for independence has been significantly related to entrepreneurs’ tolerance for taking risks to obtain future income. In addition to entrepreneurs’ propensity for risk, Sinclair (2008) also found, through secondary data investigation with 830 entrepreneurs and a control group of 431 non-entrepreneurs, a strong need for control evident amongst entrepreneurs.
Corman et al. (1988) identified, through 22 interviews and secondary research, that entrepreneurs with education, skill, ability to obtain work with higher salaries, and perception of self-worth in the market-place particularly in high-technology areas, appeared to be less concerned about risks involved in starting-out. In addition, self-belief can affect motivation and actions (Bandura, 1992), with highly educated entrepreneurs more likely to succeed and have access to capital borrowing (Bates, 1990). Further, in a study with 405 university undergraduates, Phillips and Gully (1997) found self-efficacy to be strongly related to needs for goal achievement, thus having a direct effect on performance. Using longitudinal research to ascertain personal efficacy and its effect on entrepreneurial intent and action, Gatewood, Shaver and Gartner (1995) concluded that entrepreneurs with internal/stable attributions, who achieved significant sales to level of activity, were more likely to devote considerable time to setting up businesses than those entrepreneurs with external/stable characteristics.

Redefining profit drivers, coupled with an ability to adapt to market forces, such as reconfiguring product offerings, altering modes of delivery, and paring down administrative overheads, seems to characterise successful entrepreneurs (McGrath & MacMillan, 2005). Nevertheless, the ultimate responsibility for firm success is said to be achieved through entrepreneurs with clear purpose and vision, who can allocate resources, and have the ability to teach employees how to reach common goals (Tichy, 2002), with success and failure depending on their entrepreneurial personality (Havaleschka, 1999). Although many entrepreneurs seem to have unique characteristics, such as achievement needs and risk taking propensity compared with others in the population, progression through stages of personal growth versus firm growth can occur disynchronously (Cook-Greuter, 2004). A strong need for personal involvement and control can affect entrepreneurs’ willingness to delegate and work with employees as a team, which over time, can affect their ability to find and retain suitable talent (Corman et al., 1988).

Entrepreneurs in demanding environments tend to display characteristics of high achievement orientation resulting in work stress (Boyd, 1984), and physical symptoms to the extent of coronary heart disease owing to the loneliness of SME ownership (Gumpert & Boyd, 1984). While environmental factors affected ventures indirectly, Baum, Locke, and Smith (2001) found, by studying 307 CEOs, specific competencies and motivation were
direct predictors of firm growth. Hallmarks of energy, creativity, and imagination can mean entrepreneurs obsessively pursue ideas and display destructive tendencies at the expense of receiving advice from employees regarding the reality of the situation (Kets de Vries, 1985). In some cases, while displaying charismatic, inspirational, and visionary characteristics, entrepreneurs can show narcissistic traits of emotional isolation and distrust, with little regard for employee or stakeholder concerns (Maccoby, 2000). Further, Bender (2007) suggested that entrepreneurial traits, behaviours and perceptions affect the financial success of a business.

Learning and development needs of entrepreneurs are outlined in the next section.

**Entrepreneur Learning and Development Needs**

Environmental pressures of competitiveness, globalisation, and economic upheaval have increased to such a degree that entrepreneurs look increasingly for new and faster ways of innovating and keeping pace with change (Delmar et al., 2003). Owing to time constraints and a need for quick and ready frameworks, methodologies, and relevant answers for business imperatives, many entrepreneurs are not willing to expend energy accumulating knowledge not immediately useful (Tichy, 2002). Traditional training has embodied university degrees; however, entrepreneurs are not necessarily willing or able to afford to take time out to attend classes for a sustained period (Gibb, 2009). Bhide (2000) stated that entrepreneurs’ intent on commercial growth, view business schools as limited to teaching theories and case studies on large firms, and whilst providing invaluable knowledge, having little relevance to SME real-world and every-day situations. Bennis and O’Toole (2005) asserted that business schools offering scientific and theoretical programmes were being rejected in favour of short, relevant learning experiences delivered by practicing professionals. Moreover, while formal avenues might teach specific business skills and process management techniques, they do not necessarily address problem solving skills in-so-far as entrepreneurs employing alternative management styles that could be used to effectively achieve end-results (Dhebar, 1995).

However, managing firm growth becomes problematic when entrepreneurs have limited experience in business or running a firm (Corman et al., 1988). Rather than seeking a transfer of information, Chenault (1987) stated that entrepreneurs want to learn how to
engage in high level thinking and conceptualisation relating to their businesses. Sexton et al. (1997) concluded, after evaluating entrepreneurs from three different industries, that the highest learning needs of entrepreneurs encompassed understanding financial decisions, growth, business value, and resources. Deakins, Graham, Sullivan, and Whittam (1988) reported that early stage entrepreneurs wanted advice on business planning and implementation, strategy, marketing, and planning for growth. Moreover, Jennings and Beaver (1997) contended that entrepreneurs need specific, readily useable skills applicable to the current operating environment of their firms. Further, entrepreneurs having the opportunity to bring their own problems in a generalised manner to the facilitator, offers the opportunity to learn from collective discussion where they are more likely to develop insight and thus implement solutions in their own environment (Gibb, 2009).

Findings on short-term external management training during a cross-sectional follow-up survey with 114 SME manufacturing firms, Bryan (2006) suggested that learning focussed on financial return to firm performance, contributed to business survival. Whereas Deakins and Freel (1998) reported, after interviewing six early stage entrepreneurs, that when they had the opportunity to engage in learning, entrepreneurs preferred relevant, hands-on programmes and broad-ranging topics that encompassed commercialising products and services, finance and funding, marketing, and business growth strategies. Quantitatively and qualitatively assessing a 20-week programme for SME management development, Mumby-Croft and Brown (2005) found that firm managers were not only satisfied with the programme they had undertaken, but following training, the learning translated into better customer care and improvements in external relations and image. Additionally, 60 early stage business entrepreneurs surveyed by Deakins et al. (1988), revealed that learning was more beneficial when it was evolutionary and gained from experienced people, such as external directors, compared to theoretical instruction.

Notwithstanding, entrepreneurs’ learning needs differ according to internal and external factors faced on a day-to-day basis, in addition to organisational stages of growth. In the start-up phase entrepreneurs are involved in every aspect of the business, such as vision, strategy, and direction setting as well as operations management (Page & Jones, 1990a). At this early stage, entrepreneurs look for practical advice and ideas on business planning and implementation, strategy, marketing, and planning for growth (Deakins et al.,
Devins, Gold, Johnson, and Holden (2005) contend that entrepreneurs networking with knowledgeable stakeholders, suppliers, and business people, can be of significant influence at the early stages of business establishment. Moreover, due to the loneliness of coping with every-day challenges, learning circles with other entrepreneurs facing similar situations could lead to valuable learning experiences not available from theoretical classrooms (Gibb, 1997).

In the next stage of growth, entrepreneurs might not sustain the increased workload, and instead, try to keep tight control on all areas of the business, and therefore, must learn to delegate and trust employees, thus, learning needs to encapsulate strategic management and strong emphasis on people development (Page & Jones, 1990b). Entrepreneurs can benefit from combined training and business coaching programmes, whereby peers from non-competing firms meet as a group for training, then engage one-on-one with a business coach (Cooper & Quick, 2003). In addition, entrepreneurs can attend training programmes to develop greater self-awareness, pursue personal goals, engender change, or to gain a more effective style of leadership (Korotov, 2007). Valuing interaction with peers, Sexton et al. (1997) argued that entrepreneurs preferred programmes to be delivered in round-table, half day formats, and by practicing professionals. According to Deakins et al. (1988), programmes with measures of effectiveness appear to be more successful when training is provided with the support of business coaching.

Entrepreneurs are quite often faced with subordinates telling them what they think they want to hear, rather than what they should hear (Kets de Vries, Floreant-Treacy, Vrignaud, & Korotov, 2007a). Alternatively, leaders can be so sure of their own skill and ability that they lack the emotional intelligence to foster relationships and thus take counsel from others (Bunker, Kram, & Ting, 2002). Rooke and Torbert (2005) contended that entrepreneurs’ cognitive processes and thought patterns of perceived or real failures, can either undermine or enhance their ability to stay focused on tasks in spite of situational demands. Transformation through personal awareness and self-development to a state of interpreting surroundings and arriving at creative solutions, places entrepreneurs in positions to steer businesses into highly successful ventures (Rooke & Torbert, 2005). Moreover, behaviourally aware leaders who diagnose their errors, learn from mistakes, correct actions, and adapt business operations appropriately (Bates, 1990), effectively engage in what Agryis
(2002) termed as double-loop learning, that is, increasing competencies through self-help learning.

During the process of dealing with growth, not all entrepreneurs benefit from an often missing link, that is, honest and objective feedback on performance (Drucker, 2005). Coupled with the loneliness of the position, isolation can give rise to entrepreneurs making strategic business errors, being unaware of operational issues, displaying egotistical or authoritarian behaviours, and suffering from feelings of anxiety and stress culminating in health problems (Cooper & Quick, 2003). While some entrepreneurs take regular holidays, engage in meditation, and communicate with loved ones to combat multiple stressors, Boyd and Gumpert (1983) claimed that few entrepreneurs resort to seeking psychiatric counselling.

Nevertheless, with mounting economic and organisational pressures, some entrepreneurs seek out mentors with expertise in their particular industry or field for purposes of sponsorship, advocacy, gaining greater insight into performance or as sounding boards (Clutterbuck & Megginson, 1999). More recently, entrepreneurs in SMEs engage business coaches for a variety of reasons including loneliness experienced in senior positions, and the enormity of continually making decisions, as well as the pressures such positions place on family life and health (Kets de Vries, Korotov, & Floreant-Treacy, 2007c). Entrepreneurs find support from business coaches who show understanding and provide feedback, which is critical to staying ahead of competitive pressures (Cooper & Quick, 2003). Furthermore, experienced business coaches engender entrepreneurs with skills to manage and run firms effectively (Kalits, 2001).

Business coaching works best when planning and preparation is well executed with agreement on role expectations and responsibilities defined at the outset, followed by developmental support at intervals thereafter (Clutterbuck & Megginson, 1999). Therefore, an appropriate match between business coach and entrepreneur, in terms of skill and experience required is essential, and together with training, can ensure that each party understands the nature of the relationship and expectations (Megginson, Clutterbuck, Garvey, Stokes, & Garret-Harris, 2006). Having business coaches working with entrepreneurs can ameliorate entrepreneurs’ lack of experience, however, finding suitable persons with the appropriate background and ability to pass on knowledge, can be problematic (Leonard & Swap, 2005). Nevertheless, it is recognised that entrepreneurs’ level of maturity, self-
reliance, and intent on business growth, could eventually outweigh the need for coaches or mentors (Deakins, O’Neill, & Mileham, 2000).

**Summary**

This section examined factors that contribute to SME financial performance and growth, and the characteristics and needs of entrepreneurs that start and manage firms. SMEs are commonly classified as having between 5-200 employees (Australian Bureau of Statistics, 1999). Under normal environmental circumstances, firm growth follows a trajectory from conceptualisation to professionalism and consolidation, leading to gains in employee size which necessitates taking on a degree of risk resulting in entrepreneurs finding it necessary to implement internal controls (Delmar et al., 2003). While determinants of fast-growth vary, it is conceded that only a relatively small percentage of SMEs obtain and maintain in excess of 35% compound sales growth over three years (Birch, 1997; Gome, 2004). In demanding situations, entrepreneurial characteristics can accelerate or impede growth, such as having a clear vision and objectives, and the loneliness of SME ownership, together with personality traits and level of self-efficacy (Bender, 2007; Cook-Greuter, 2004; McGrath & McMillan, 2005). To stay ahead of competitive pressures, entrepreneurs eschew traditional education and training, turning instead to coaches and mentors who act as sounding boards, trusted advisors, and to gain objective feedback on performance (Drucker, 2005; Kets de Vries et al., 2007a).

The next section outlines the characteristics of coaching and mentoring, together with influencing factors which inform business coaching.

**Coaching and Mentoring**

As defined in Chapter 1, business coaching combines the processes, techniques and structures utilised in coaching, together with mentoring delivered by persons having previous business experience. Popular and published literature to date has separated coaching and mentoring, usually reporting on them as two separate functions (Goldberg, 2010; Stone, 1999). However, as pointed out by Garvey (2004), there does not appear to be universally agreed upon definitions on either mentoring or coaching. It is therefore pertinent at this juncture to examine origins, definitions, roles, evidence-based research and application
underpinning each modality. Credentialling criteria and similarities between coaching and mentoring processes and techniques are noted.

**Mentoring Overview - Origin, Definition, and Role**

Modern day mentoring originated from apprenticeships where masters, such as experienced craftsmen or traders, passed their wisdom and skill onto more junior persons or apprentices (Clutterbuck, 1991). Mentoring started to become common practice in firms following Kram’s (1983) pioneering study of workplace relationships. Kram’s (1988) research lead to a theoretical framework which included mentor dual function roles of career advisor and psychosocial support for the benefit of protégés, and defined mentoring as passing wisdom from experienced to inexperienced persons. Various definitions of mentoring have since been proposed, such as *off-line help by one person to another in making significant transitions in knowledge, work or thinking* (Clutterbuck & Megginson, 1999, p.3). To this end, mentors generally focus on developing protégés (Alleman & Clarke, 2000); fostering relationships that enhance career development (Scandura, 1992); and assisting persons transition within changing environments by providing guidance and advocacy (Megginson et al., 2006). Mentoring within the auspices of organisations is more often championed and fostered by senior management, with experienced individuals available to be matched with non-experienced individuals (Kram, 1988). Moreover, mentoring which is implemented within workplaces indicates the value placed by management on the contribution of employees (Garvey, 1996).

In general, skills required by mentors approximate in ability to provide exposure and visibility, coaching, protection, and sponsorship of challenging assignments for executive career advancement; to providing psychosocial functions of role modeling, acceptance and confirmation, counselling, and friendship (Kram, 1983). Experienced mentors can act as role models, coaches, brokers, advocates, allies, confidants, counsellors, friends, protectors, or sponsors (Geiger-DuMond & Boyle, 1995; Stone, 1999), utilising their skills and expertise to help less experienced persons develop their potential (Kram, 1983; Shea, 1992). More importantly, essential requirements for effective mentoring are said to be the ability to listen, reflect, and ask open, probing questions (Garvey, 1996). Qualities noted by Teja, (2003), after research involving 34 mentors and 37 mentees, revealed that the mutual benefit from
developing a trusting relationship contributed to effective mentoring outcomes. Using the Alleman Mentoring Activities Questionnaire with 33 employees, Williams (2008) found that trust developed during mentor relationships, together with the experience the mentor had accumulated, and the competence to teach employees about organisational politics, were the most valued. However, Clutterbuck (2008) claimed that the driving force behind mentoring relationships is usually dependent upon the power and influence exerted by mentors in given situations.

In contrast to the matching process followed by organisations, entrepreneurs are known to personally seek out experienced business owners who are likely to take an interest in entrepreneurs’ progression by offering mentoring informally (Boyd, 1998), and usually providing these services free of charge (Waters, McCabe, Killerup, & Killerup, 2002). The deliberate matching of companies to experienced coaches and mentors ensures that appropriate knowledge, based on experience, passes onto entrepreneurs (Leonard & Swap, 2005). Entrepreneurs might look to non-executive directors who provide support by influencing strategy, problem solving, and recruitment, while performing monitoring functions (Deakins et al., 2000). Other sources of mentoring for entrepreneurs include venture capitalists, however, these persons are quite often too busy to provide personal coaching or lack the skill required to mentor entrepreneurs of high technology companies (Kambil, Eselius, & Monteiro, 2000). A different approach has been for mentor capitalists with more time, commitment, and wanting personal investment, to take equity in a business, in addition to an active interest in the entrepreneur’s firm (Leonard & Swap, 2000).

Megginson et al. (2006) asserted that experienced business mentors are able to observe patterns emerging as companies grow, relating past experiences to the context of entrepreneurs’ situations, and thus, provide insight and learning. In essence, business mentors have an ability to recognise stages of growth, usually concentrating on vision and strategy in the first instance, then production output and process management, followed by increased emphasis on resources as companies grow (Leonard & Swap, 2000).

The following section provides an overview of evidence-based research and applications underpinning mentoring.
Mentoring Evidence-Based Research and Application

Mentoring has been informed by various sources, including psychological and management theory, to develop evidenced-based research and application. For example, extensive research focuses on youth mentoring relationships underpinned by developmental theory, using measures including the inventory of parent and peer attachment and the self-perception profile for children (Grossman & Rhodes, 2002). Workplace investigations tend to centre on career progression (Barker, Monks, & Buckley, 1996) in such areas as leadership effectiveness using communications theory (Kayworth & Leidner, 2001), and the role of characteristics based on the five-factor personality model (Lee, Dougherty, & Turban, 2000). A number of applications developed for mentoring comprise Noe’s (1988) mentoring functions scale which was formulated using, among other instruments, Rotter’s (1971) locus-of-control, and Kram’s (1983) mentor role. Based on Gibb’s (1994a) conceptual framework of organised mentoring schemes and Kram’s (1983) mentor functions, Ragins, Cotton, and Miller (2000) developed a mentoring satisfaction scale showing that satisfaction is impacted by relationships with mentors and the work attitudes of protégés.

Despite the proliferation of mentoring-based studies, very few have centred specifically on business owners or entrepreneurs, which as Syme (1999) claimed, can be attributed in part to privately-owned firms’ reluctance to share information about company operations. Reviewing available literature, Deakins et al. (1988) identified that SMEs place a high value on mentoring. A few lines of enquiry use a non-direct, reflective analysis technique during interviews to develop case studies in areas such as experiences in the context of mentors with family businesses (Boyd, 1998), and mentoring styles and firm succession based on family systems theory (Syme, 1999). Alternatively, studies have used a general review of the literature to develop questionnaires, where for instance, McGovern (2000) investigated the impact of mentoring on 104 family business owners and found significant correlations between mentoring and increased confidence of leaders in the success of their companies. Of interest are findings from a survey with 201 founders of IT companies by Ozgen and Baron (2007), which demonstrated that mentors assist entrepreneurs identify new venture opportunities, similar to mentors in the workplace identifying career paths for employees.
Some organisations conduct formal mentoring programmes. For instance, Hegstad (2002) interviewed 29 participants from 17 Fortune 500 companies who attended mentoring programmes developed along the lines of human resource development theory, and concluded that a systematically designed programme was beneficial to the development of corporate vision and mission. Other investigations have centred on gender differences and similarities within programmes. With no significant differences between the gender of male and female mentors, Hoigaard and Mathison (2009) found, using Noe’s (1988) mentor functions scale, that 36 female leaders enrolled in a formal mentoring programme reported specifically that the relationship with mentors increased their job satisfaction and career planning, and led to more positive behaviour. Moreover, in a cross-sectional survey with 1,514 SMEs, McGregor and Tweed (2002) asserted that female business owners benefited from a combination of peer networking and business mentors who helped to foster confidence in achieving firm growth. In a survey with 62 female entrepreneurs, Baderman (2009) identified significant positive correlations between perceptions of business mentoring and perceived general self-efficacy, culminating in entrepreneurs reporting resilient and persistent behaviour.

It is noteworthy that mentoring outcomes overall are viewed positively (e.g., Boyd, 1998). However, a few areas of dissatisfaction with mentoring programmes have emerged, and can be attributed to poor relationships with mentors; and dissimilar attitudes, values, and beliefs to protégés (Eby, McManus, Simon, & Russell, 2000). Further, Clutterbuck (2002) espoused that a number of mentoring programmes failed owing to lack of clarity and purpose, inappropriate matching of mentor and protégé, and insufficient training and measurement. Crossing a broad spectrum of cohorts, mentoring outcomes, contributions, and costs, Gibb (1994b) questioned the effectiveness of formal mentoring programmes and concluded that a co-created relationship between mentor and protégé was paramount to success. In addition, Syme (1999) asserted that open communication and commitment are the keys to both mentoring and successful business relationships.

As demonstrated in this section, two applications that are germane to mentoring might be Kram’s (1983) mentor role, and Noe’s (1988) mentor functions scale, with other suppositions borrowed from psychology and management. Mentoring benefits centre upon the confidential nature of trusted relationships which engenders learning, development, self-
awareness of recipients, and the ability to deal with uncertainty when operating in complex environments (Garvey & Alred, 2001).

An overview of coaching is presented next.

**Coaching Overview - Origin, Definition, and Role**

With roots in ancient eastern and western philosophy, history, mentoring, performing arts, and sports, coaching appears to have originally evolved out of the Humanistic Movement of the 1960s (Brock, 2006), to emerge in the early 1990s as an industry to serve business and personal requirements (Orem, 2005). The term coaching might even have spawned from the sporting field (Whitmore, 1996) where it draws heavily upon psychology to improve athletes’ motivation and performance (Williams, 2005). According to the International Coach Federation website, coaching is generally defined as *partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential* (ICF, 2009). With added emphasis, other authors have promulgated similar definitions of coaching, such as: promoting attitude and behaviour change (Arnaud, 2003), centering on human growth and change (Stober, 2006), creating climates that empower individuals (Evered & Selman, 1989), bringing about change (Dotlich & Cairo, 1999), being practical and goal-orientated (Hall et al., 1999), and, focussing on individual performance in business contexts (Garman, Whiston, & Zlatoper, 2000). However, as pointed out by Jackson (2005), the variety of definitions may imply that coaching practices serve different market segments.

Resembling the functions of mentors, Whitmore (1996) defined coaches’ roles as sounding boards, facilitators, counsellors, and awareness raisers, with the difference that coaches do not act as problem solvers, teachers, advisors or experts. Coaches can perform one of a number of tasks within firms, such as skill enhancement for a specific task, job performance improvement, learning and development, responding to leaders’ changing agenda (Witherspoon & White, 1997), or introducing leaders to others from their personal network (Hill & Wright, 2001). Coaches can also assist leader’s exploration of their inner potential, through learning and self-awareness, for the purpose of achieving goals (Du Toit, 2007). Further, the hallmark of successful coaching presumes to be an ability of coaches to concentrate on leaders’ positive attributes, working with them to identify tasks necessary to
achieve goals (Locke, 1996). For example, when developmental coaching is required, coaches’ roles are orientated towards assisting leaders overcome problems and challenges, rather than attempting to cure pathology (Compernolle, 2007). Leadership coaches taking a holistic view of organisational structural processes (Kets de Vries et al., 2007c) tend to work with executives on aspects that are ‘non-discussable’ with others within the organisation (Obholzer, 2007). Used effectively, coaching appears to help leaders learn in collaborative environments (Witherspoon & White, 1997), and make the most of that learning (Kiel, Rimmer, Williams, & Doyle, 1996) by assisting clients to explore their inner potential for the purpose of achieving short-term objectives (Du Toit, 2007), and accomplishing personal effectiveness (Kiel et al., 1996).

Beneficiaries from coaching are said to be leaders who can learn from their coaches how to motivate employees, and cope effectively with business challenges (Bolch, 2001). In effect, a coach’s function is to engender learning, growth, and change (Witherspoon & White, 1996), with primary goals of enhancing leadership skills, by assisting individuals take a systemic view of interactions and relationships (Compernolle, 2007). Rider (2002) claimed that coaching can be regarded as a goal-orientated process, while Kilburg (2000) stated that coaching is a series of actions, and a method for achieving outcomes through techniques such as questioning and feedback. In essence, coaching is ideally a structured process designed to unleash individuals’ potential, with the coaches’ primary role being one of helping others become aware, and take responsibility for their performance (Whitmore, 1996).

Evidence-based research and applications stemming from coaching follow next.

**Evidence-Based Research and Coaching Application**

Although an extensive body of literature on mentoring had been built up over a decade ago (Minter & Thomas, 2000), empirical research surrounding business coaching is limited. For these reasons, it is necessary to draw upon theory and evidence largely from literature on executive coaching and other applicable domains (Clutterbuck, 2008). Coaching generally has depended on theory from other fields as diverse as: education, psychotherapy, communication studies, adult development theories, self-help movement, social systems theory, athletic motivation, holistic movement, and management and leadership (Brock, 2006). To this end, a comprehensive review undertaken on executive
coaching by Kampa-Kokesh and Anderson (2001) highlights work emanating from psychology, training and development, and management literature. For example, Kleinberg (2001) based research on theoretical constructs such as Carl Roger’s *person-centered therapy*, Malcolm Knowles *adult learning theory*, and Miller and Rollnick’s *motivational interviewing*. Owing to the cross-disciplinary nature of coaching, empirical investigations have emerged broadly from psychological practice (e.g., Greene & Grant, 2003; Kilburg, 2000) and largely centre on life coaching (e.g., Campbell & Gardner, 2005).

In the area pertaining to executives, research has commonly taken a phenomenological, case study approach involving small samples. For example, Laske (2004) interviewed six executives and found positive effects of coaching on behavioural development; and, using a self-developed guide, Sztucinski (2001) spoke with seven executives to gauge how they experienced coaching, their level of achievement, ability to take ownership of situations, self development, and the relationship with their coach. Lines of enquiry centering on business coaching have included research by Peel (2006), who conducted semi-structured interviews with 10 SMEs, and concluded that culture within organisations affects the context and effectiveness of coaching. Interestingly, using a *causal attribution scale* during a telephone survey of 49 participants who received executive coaching, Ballinger (2000) noted that females valued the coaching engagement and overall experience more highly than their male counterparts.

However, owing to the individual nature of case examples, results are difficult to replicate and accurately compare across studies (MacKie (2007). These investigations are open to criticism, including researcher interpretation and bias, lack of rigour around information solicited, sampling problems, lack of controls, and validity issues, and therefore, outcomes cannot be generalised across whole populations (Kazdin, 1980). Notwithstanding, there is a limited amount of early research using self-developed questionnaires focused on outcome measurement and success factors of coaching in areas of: improved performance by sales representatives (Graham, Wedman, & Garvin-Kester, 1994; Strayer & Rossett, 1994); improved employee retention (Decker, 1982); success gained from coaching contracts (Diedrich, 1996); productivity improvement (Olivero, Bane, & Kopelman, 1997); performance, attitude, adaptability and identity change (Hall et al., 1999); and coach experience with leaders’ needs (Laske, 1999).
More recent research has shown that participants are generally satisfied with coaching. For example, Fanasheh (2003) used descriptive statistics with 143 Fortune 500 participants to identify that 32% of executives who hired coaches considered the investment worthwhile. In addition, participants in a cross-sectional mixed-methods study (Gyllensten, 2005) reported that reduced levels of stress resulted from coaching. Developing and trialling a programme for SMEs focussed on survival and growth, Porter (2000) concluded that there needs to be a balance between taking a structured approach and working with clients to identify opportunities, in order to help them to help themselves. After interviewing six corporate purchasers of external coaching and surveying 224 coach-mentors to identify how coaching is selected and measured for effectiveness, Leedham (2005) suggested that evaluation should occur throughout the relationship. Nevertheless, after interviewing executives and their coaches on approaches and methodologies used to obtain outcomes, Kleinberg (2001) concluded that coaching overall lacks theoretical grounding and rigour. Additionally, McGovern et al. (2001) and Stober (2006) highlight a paucity of empirical outcome measures surrounding the literature.

The next section focusses on credentialling for coach and mentor services.

**Coaching and Mentoring Credentiallling**

Perhaps more so than mentoring, the coaching industry has come under criticism for its apparent lack of emphasis on qualifications and standards (Grant, 2004; Kilburg, 1996; Saporito, 1996; Tobias, 1996; Hall et al., 1999). Practitioner contributions based on folk psychology and pseudoscientific approaches have influenced the commercial coaching industry, in spite of a lack of solid theory and empirical research in other domains (Latham, 2007). Popular literature, and training schools in particular, advocate proprietary coaching frameworks (Grant, 2005), with some models appearing to have been heavily influenced in isolation or with a combination of: business theory (Dotlich & Cairo, 1999); consulting diagnosis (Zeus & Skiffington, 2002); and mentoring frameworks (O’Neill, 2000).

Dagley (2006) noted that formal training for coaches ranged from no qualifications to doctoral degrees. The International Coach Federation (2009), which offers a code of ethics, is recognised as the largest internationally coaching body with over 15,000 members. Endeavouring to set training standards and hurdle requirements for coach certification, the
ICF (2009) published 11 core competencies centering on relationship establishment; creating a two-way relationship; communicating effectively; and facilitation of learning and results. However, whilst these core competencies form a framework and seek to underpin models, they are nevertheless, only a set of beliefs, ideas, and rules for coaches to follow, rather than evidence-based constructs (Grant, 2005). Further, the foundational basis for these core competencies has not been published in a scholarly journal (Auerbach, 2005).

There is argument that without a business background, it is difficult for coaches to empathise with the commercial and business challenges faced by entrepreneurial leaders (Brotman et al., 1998). Nevertheless, Orenstein (2000) found, after examining case studies using integrative theory, that rather than expecting specific industry expertise, executives wanted fresh perspectives from responsive coaches who brought out the best in them personally and professionally from a behavioural and performance point of view. Further, Diedrich (2004) found that CEOs valued coaches who had ability to look at problems and opportunities from different perspectives, in preference to them being versed in particular industry knowledge.

Notwithstanding, coaching is being undertaken by persons without business management qualifications or expertise who purport to be able to offer services to enterprises (Stober & Parry, 2005). Coaches, needing no formal qualifications, are encouraged by training schools to use their intuition, go out and find clients, and start coaching (Kodish, 2002). Unregulated in Australia, to date there appears to be only one state in the USA requiring coach registration, largely because coaching in this state is listed as a counselling intervention (Hart, Blattner, & Leipsic, 2001). Without credentials, so-called coaches can practice in areas such as executive development, business and professional performance, sports, health management, or life transition coaching (Kleinberg, 2001), and quite often do not have appropriate insurance coverage (Kodish, 2002).

This situation has brought forth disparaging comments in the media (e.g., Salerno, 2005) by labeling coaches as charlatans with little understanding of the requirements and obligations of coaches, and questions whether some coaches possess appropriate professional or academic qualifications. Spence (2007), after examining the human potential movement of the 1940-1970s era, predicted the future demise of coaching unless the industry was built upon strong theoretical and evidenced-based research. Further, Grant (2004) called for
coaching credentials to be based on an evidenced-based body of knowledge with appropriate university qualifications, before coaches are classified as professionals.

Coaching and mentoring similarities and differences are examined in the next section.

Coaching and Mentoring Similarities and Differences

Coaching and mentoring involve a number of similarities. For example, considered together coaching and mentoring centre round persons gaining understanding and insight into their present situation, and being able to envisage future goals or outcomes to be attained (Stober, 2006). Even when defining roles, the terms coaching and mentoring have been used interchangeably (Kleinberg, 2001), and as subsets of each other (Kram, 1983). Both coaches and mentors can act as personal confidantes, providing safe forums for entrepreneurs to express ideas, challenges, issues, and concerns (Cooper & Quick, 2003). Nevertheless, the hallmark of effective coaches and mentors is said to be an ability to pass on timely, relevant experiences and knowledge, within appropriate contexts (Leonard & Swap, 2005). In addition, both modalities emphasise the importance of confidentiality and trust within relationships (Du Toit, 2007; Garvey & Alred, 2001).

Differences between the two modalities are evident when coaching is aimed at specific performance enhancement or goal attainment, while mentoring primarily takes a broader approach to career progression and growth (Clutterbuck, 2008). Minter and Thomas (2000) extended the differences to advocate coaching for high performance individuals, and mentoring for those that need nurturing. Stone (1999) went so far as to assert that coaching was used for continuous development and mentoring was suited to the best performers. After using recommendations for interview protocol by Creswell (2003) with 22 certified coaches, and noting that there were more similarities than differences between coaching and mentoring, Wilkins (2000) concluded the division occurred whereby coaches are paid and do not give advice, whereas mentors are not paid and give advice. Garvey (2004) noted that different sectors attribute coaching or mentoring labels according to social or professional contexts. Confusion arises however, when the terms coaching and mentoring are interchanged for the encouragement of self-sustaining behaviours, and emulation of role models (Sorrenti, 2003).
Whether subscribing to the label of coach or mentor, Megginson and Clutterbuck (2005) suggest taking a more flexible approach to employ methods that best suit the developmental needs of recipients. As predicted by Clutterbuck (2008), coaching and mentoring have merged to the extent that the International Coach Federation (2011) issued a press release stating a joint initiative aimed at self-regulation between the International Coach Federation and the European Mentoring Coaching Council. Nevertheless, finding coaches or mentors with appropriate commercial knowledge and experience, is an ongoing issue for entrepreneurs (Brotman et al., 1998), with coaches needing to have participated in managerial practice in order to fully understand entrepreneurs’ issues (Van den Poel, 2007). Given the similarities and converging nature of coaching and mentoring, this thesis takes the position of combining these modalities into the term business coaching.

Summary

Overviews of the origins, definitions, roles, theories, and evidence-based research of coaching and mentoring were discussed in this section. Similarities surrounding roles and functions were noted with differences arising as a result of contractual payment for services underpinning each modality (Kleinberg, 2001; Wilkins, 2000). The lack of regulation, credentialling, and requirements for insurance for both coaching and mentoring were highlighted (Hart et al., 2001; Stober & Parry, 2005).

Various influencers to business coaching, together with an outline of business coaching process, are presented in the next section.

Business Coaching Influencers and Formation from Theory

As mentioned previously, business coaching combines coaching processes and techniques delivered by persons with business experience and mentoring capabilities, to take an approach that seeks directly to influence and improve core business practices and achievement of goals (Clegg et al., 2003, p.3). Business coaching is a collaborative relationship whereby coaches bring business experience to focus primarily on individuals’ contribution to firm performance and business growth (Clegg et al., 2003). This is in contrast to the personal nature of executive coaching that provides developmental services and management coaching which concentrates on enhanced skill performance (Peltier, 2001).
Business coaching practice brings a wide range of theories and methodologies from areas such as business management, consulting, mentoring, counselling, human resources, training, and psychology (Greene & Grant, 2003). On the basis of 1,310 participants, Brock (2006) identified the main professions influencing coaching in current times are psychology (18%), consulting (11%), organisational development (11%), and management and leadership (9%), with the Humanistic influence now diminished to three percent.

Commencing with psychology, some of the major influencers on business coaching and its formation will be discussed in the next sections.

**Influence of Psychology on Business Coaching**

Business coaching has been extensively influenced by theories from psychology. Psychotherapists such as Kets de Vries (2004) argued that coaches might need to look to the rigour of psychological theories and research to understand fully and deal adequately with the fundamental nuances of human behaviour. Psychology’s quest for human potential and possibility has had a profound influence on coaching (Williams, 2005), giving rise to business coaching drawing heavily on such diverse interventions as humanistic psychodynamics (Stober, 2006), behavioural and existential sciences (Kiel et al., 1996), as well as psychotherapeutic frameworks (Kets de Vries et al., 2007c). For example, Passmore’s (2007) integrative coaching model draws from a number of different modalities: the humanistic movement for developing the coaching partnership; emotional intelligence and psychodynamics for self-awareness development and maintaining relationships; behavioural and cognitive methods to engender change; and existential and acceptance commitment therapy to strengthen values and the unconscious process associated with change (pp. 69-70).

It has also been said that coaching closely emulates a solution-focused approach which, based on Milton Erikson’s work (as cited in Geldard & Geldard, 2001), seeks to identify strengths in the face of adversity by engaging leaders, fostering change, and working collaboratively with leaders to find creative solutions. Moreover, Kodish (2002) purports therapists trained in rational emotive behavioural techniques are ideally situated to embrace coaching as a means to broaden their practice focus. In addition, Seligman (2007) exhorts coaches to draw on evidence-based psychological interventions to give structure and
credibility to their mode of operating. After reviewing published research, Passmore and Gibbes (2007) reminded psychologists that they had much to offer the developing evidence-based on coaching given their abilities and thorough training to undertake research. Spence (2007) went so far as to advocate that coaching should become a sub-discipline of psychology.

However, while some elements of coaching draw on psychology for a theoretical basis, there are concerns that, at times, coaching oversteps the psychotherapeutic line (Tobias, 1996), with coaches operating outside of their expertise and without psychological training (Berglas, 2002). Further, there are instances where leaders would benefit from therapists rather than coaches, therefore basic education in human behaviour is seen as a necessity in order to understand differences between the need for therapeutic intervention versus coaching (Diedrich, 1996). Therapy deals with persons who have dysfunctional pasts relating to current problems and issues, in contrast to coaching which works with individuals from non-clinical populations, and focuses on the achievement of future dreams and desires (Williams, 2005). Additionally, therapists act as experts diagnosing and proffering remedial solutions, whereas coaches work collaboratively with leaders as catalysts for change (Bluckert, 2005).

Rotenberg (2000) argued that coaching, with accountability resting with the recipient, might not be suited to individuals in need of psychotherapeutic analysis before they can progress towards action. Psychotherapy extends from problem clarification and new understanding via self-awareness whereas coaching takes a more systemic approach with understanding of firms on a contextual level while helping executives deal with psychological pressures pertaining to past, present, and future (Kets de Vries et al., 2007c). Moreover, Berglas (2002) highlighted issues surrounding coaches acting without psychological training, and the harm that they can do to leaders who have personal problems that are not dealt with, but which hinder their future progress. For example, as a result of their mixed-method research, Gray, Ekinci, and Goregaokar (2011) concluded that the 22 SME managers studied, sought coaching more for gaining personal awareness to manage their cognitions and emotions rather than focusing on business issues.

Delineating lines between coaching and therapy is not straightforward. Sperry (1994) contended that, although there is some overlap between consulting, coaching, and
Business coaching and SME growth

counselling, each has different skill sets, and therefore coaching should only be undertaken by psychologists and psychiatrists who can respond effectively to leaders’ needs. In contrast, Garvey and Alred (2001) contended that helping professions encompass elements of mentoring, counselling and coaching with the terms inter-changeable according to the context and sector within which they are delivered. However, without sufficient training, coaches might not have the expertise or level of understanding to know when coaching sessions are teetering on the brink of being therapeutic (Buzatu, 2003). One coach might identify a leader as having an emotional problem, while another coach might assess the same leader as having a clinical condition (Brunner, 1998). Therefore, coaches need to be aware of signs that would necessitate referral to psychologists or psychotherapists (Berglas, 2002), thus respecting the limitation of their coaching role. Conversely, some therapists are working as coaches in corporate environments, without the appropriate organisational training (Rotenberg, 2000).

Arnaud (2003), while acknowledging that in some cases coaches with psychology backgrounds have the skill to deal with the behavioural issues of leaders, questioned the place of psychoanalysis in coaching contexts and proposed that coaching in this situation is merely disguised as a consulting intervention adapted to the economic environment to legitimise the psychoanalyst’s couch method. In deference, Kets de Vries et al. (2007c) argued that clinically orientated or informed coaches are able to take a systemic view of firms, and thus, are better placed to understand and deal with social defences arising from interpersonal and inter-group conflict. Brunner (1998) proposed a place for psychoanalytical coaching, while Rotenberg (2000) cautioned against coaching and psychotherapeutic methodologies overlapping by coaches being clear on which model is taking precedence, and why it is being used. However, while clinicians might be in unique positions to act as coaches and thus serve the psychological needs of leaders (Diedrich, 1996), generally they do not have the appropriate expertise when it comes to coaching leaders regarding the nuances of the economic business world (Saporito, 1996).

The influence of the business management discipline on business coaching is presented next.
Influence of Business Management on Business Coaching

Business management has impacted the way business coaches work with leaders and entrepreneurs in economic settings. As noted previously, while there is an emerging empirical literature base (Grant, 2005), there is a dearth of evidence-based literature on business coaching. Coaching literature (e.g., Dotlich & Cairo, 1999; Whitmore, 1996) proposes a number of models and frameworks for practical use by coaches which draw from the, largely unacknowledged, business management discipline.

Business management emerged as a discipline in the 1970s based on theories and research stemming from areas as a field of human activity and knowledge, such as psychology, anthropology, sociology, and philosophy, as well as opinions and ideas on how organisations work according to practical evidence and reasoning (Koontz, O’Donnell, & Weihrich, 1980). Spawned during the industrial revolution, organisations operated from strict authoritarian, rule-based structures whereby supervisory methods were aimed at increasing manufacturing efficiencies through forced labour, punishment, and long working hours. As a case in point, the 1920s Hawthorne Study (as cited in Carey, 1967) on worker dissatisfaction, highlighted the impact of employee motivation, social norms, and group dynamics on performance, thus heralding a key turning point in evaluating workplace management, conditions, and supervision, with organisations concluding that productivity and workforce satisfaction went hand-in-hand. The extremely competitive and global environment of the 20th century brought about the knowledge economy and a move towards open and collaborative styles of management where workers are now recognised as valuable resources, rather than commodities (Senge, 1992).

Although many well known management methodologies have no empirical grounding, the original theories have been used as building blocks for further research. For example, even though Maslow (1943) did not initially test the hierarchy of needs theory empirically, it formed the basis for later research on leadership, need satisfaction, and motivation (Alderfer, 1969). However, there are a number of business theories which have been built on solid mathematical processes with the aim of improving productivity. For example, during the 1950s, the quality movement emerged under Deming (as cited in Walton, 1989) used statistical techniques to scientifically improve performance and eliminate production defects, and six sigma (Eckes, 2003), which uses statistical process control, was
introduced to define, measure, analyse, improve and control the reduction of product failures. Expanding on the system of profound knowledge theory, Deming (as cited in Walton, 1989) developed principles under the fourteen points, and the seven deadly diseases as a prescription for reform and to take the fear out of business improvement by using statistical methods.

Taking a more encompassing view, a number of experienced, innovative, and successful business leaders and academics began to view firms as systems, comprising internal management and external environments. For example, the SWOT Analysis developed by the Stanford Research Institute (n.d.) is widely used by firms as a means of determining strengths, weaknesses, opportunities, and threats. Porter (1980) created the five-forces theory to evaluate competitive advantage within organisational and environmental contexts; and Ohmae (1982) introduced a theory of the strategic triangle of 3C’s to aid strategic thinking and business planning as decision-making frameworks for viewing firms as interconnected elements within systems as a whole. Later, Kaplan and Norton (1996) developed the theory of firm growth which underpinned the balanced scorecard, an outcome based framework with a series of measures designed to bring together elements of financial performance, customer knowledge, internal business processes, and organisational learning and growth.

Other methodologies followed, and although improving productivity, these methods and techniques did not address worker dissatisfaction, and in the battle to recruit and retain talented employees, learning and development eventually became centre stage for many firms (Argyris, 1976). While Luft’s (1961) Johari Window, which seems to have been derived from the psychologist Carl Jung’s theories, illustrated the impact of understanding open and closed relationships, it was not until Argyris (1976) created double-loop learning, and Senge (1992) used the theory of systems thinking to coin the label learning organisation and include feedback and team learning, that firms were better able to understand and focus on meeting the needs of employees. Although heavily criticised at the time by Carey (1967) for research validity, it seemed that the Hawthorne Effect was correct; employees had needs other than monetary incentives, such as recognition and learning opportunities.

Business management as a discipline, therefore, centres on the formulation, implementation, and evaluation of cross-functional decisions through the maintenance of
environments (Koontz et al., 1980), where groups of people work together to achieve an organisation’s vision and objectives (David, 1991). Consisting of a complex mix of internal and external factors (Delmar et al., 2003), organisational success is dependent on entrepreneurial leaders’ capabilities to allocate resources and teach people how to reach common goals (Tichy, 2002). Figure 2.2 depicts a model of the co-dependent functions of firms.

As depicted in Figure 2.2, firms functioning synergistically in a strategic, co-dependent manner, and those able to attain a balance between productivity and worker contentment, will in turn, impact positively on customer satisfaction. With appropriate background and training, experienced business coaches should be able to provide services to leaders that satisfy their specific learning and developmental requirements. Ward (2007) asserted that by underpinning business coaching processes with business management skills, coaches are more likely to foster powerful learning and development experiences for entrepreneurial leaders. Devins and Gold (2000) claimed that coaches with business experience using semi-structured approaches focusing on developing vision and action plans have greater success than coaches acting only as sounding boards using unstructured discussion on issues of concern to small business managers.

**Figure 2.2** Model of co-dependent functions of firms.
Based on Figure 2.2, the following sections highlight conceptualisations of context, production and process, and people, which are examples of frameworks adapted from the business management discipline and therefore appropriate for use in business coaching.

**Context: Establishing organisational goals.** Establishing an engagement agreement and goal setting is fundamental to business coaching. Goals are based on certain assumptions, capabilities, and strategic thinking generated from a combination of intuition and reliable analysis (Ohmae, 1982). Highly motivated entrepreneurs with a clear vision of the future are more likely to achieve set goals (Locke, 1996). Having clearly defined problems to solve, and a vision or mental image of goals, make it easier to plan strategies and measure outcomes. However, goals must be flexible enough to change with circumstances. The popular mnemonics GROW for: goal, reality, options, and what, when, where and with whom, is used extensively in coaching (Whitmore, 1996). Progressing through GROW provides a structure to coaching conversations, by allowing entrepreneurs to develop awareness of current situations and possibilities, thus identifying, and taking responsibility for goals and objectives. According to GROW, coaches asking appropriate questions enables entrepreneurs to gain insight into situations, and thus, identify a series of options, and ultimately solutions to be implemented.

**Production and process: Measurement and outcomes.** Problems can arise in firms where there is a lack of purpose, short-term emphasis, ineffective leadership, and inadequate communication (Walton, 1989). Firms function on structure with various parts making up a whole to form integrated components (Ohmae, 1982) with operational effectiveness achieved only when various activities in firms, such as manufacturing, packaging, sales, and delivery, are integrated and linked synergistically (Porter, 1996). Business coaches encourage firms to map activities, that is, a visual creation of a chain of events for the identification of the strongest and weakest points, such as inefficiencies and repetitive tasks, thus eliminating the need for re-work (Kaplan & Norton, 1996). However, business coaches being mindful that individual quotas and targets can destroy teamwork and act as potential barriers to effective work and productivity, stimulate discussion with entrepreneurs to introduce education, retraining, and foster employee pride in the work place (Walton, 1989).

**People: Organisational fit to culture and leadership.** Throughout their growth, firms take on their own culture, that is, they operate on a set of values usually established by the
characteristics of the original founders (Covey, 1989). Leaders who can adapt to a situation through a continuum of behaviour from authoritarian to democratic, and act according to organisational circumstances, are better placed to engender a structured and collaborative culture (Tannenbaum & Schmidt, 1973). The match between organisational cultures and entrepreneurs’ values, origins, and character are essential, with failure usually caused not by technical skills, but by lack of interpersonal skills which depend on psychological self-awareness (Kilburg, 2000). Business coaches can assist entrepreneurs to develop effective communication skills by identifying strengths and weaknesses (Drucker, 2005) through models such as Luft’s (1961) *Johari window*, Honey and Mumford’s (as cited in Mumford, 1995) *learning styles questionnaire*, and Senge’s (1992) *five disciplines* theory of personal mastery, mental models, shared vision, team learning, and systems thinking centering on whole of organisation learning.

The following section discusses the influence consulting has had on business coaching.

**Influence of Consulting on Business Coaching**

The practice of consulting, together with mentoring, has influenced business coaching. Businesses generally hire management consultants, that is, people highly skilled in technical and specialist expertise, to work for short periods on specific projects (Block, 2000) or to provide objective advisory services, thus enabling firms to overcome economic and personnel shortages (Greiner & Metzger, 1983). Based on specialist skills in particular fields, consultants undertake the delivery of specific outcomes to firms within agreed timeframes (Block, 2000; Greiner & Metzger, 1983). During investigation with 160 women-owned businesses, Lee, Cho, and Denslow (2004) found a statistically significant need for consulting services in financial areas for entrepreneurs at the start-up stage, and the need for quality control for more mature businesses. To deliver results, consultants first diagnose organisational situations via interviews, direct observation, administration of questionnaires and inventories, then take responsibility for recommending or implementing courses of action (Sperry, 1994). In a similar vein and to varying degrees, consulting and mentoring arrangements operate by forming agreements, analysing situations, fostering positive
relationships, and measuring programme results (Block, 2000; Clutterbuck & Megginson, 1999; Kram, 1988).

Early studies have attempted to measure consulting services. For example, while lamenting the difficulty of obtaining data and measuring the value consultants add to firms, Solomon (1997) indicated that hiring a consultant can increase a company’s stock valuation. Johnston (1963) set out to measure the efforts in improvement from 600 jobs undertaken by four UK consulting firms and found that, by applying a formula, it could be concluded that there was a 50% average productivity improvement in projects that were quantitatively assessable. Investigating level of satisfaction with consulting, Nahavandi and Chesteen (1988) identified that while the majority of the 126 businesses were satisfied with the services provided, nearly 20% responded they did not implement the recommendations due to the poor quality of consulting expertise. Nevertheless, Shapiro, Eccles, and Soske (1993) argued that clients need to take responsibility for decisions and work together with consultants to ensure assignments are successful. Four decades ago, Van de Vliert (1971) advocated that consultants take a coach approach to assignments by fostering relationships with clients and working collaboratively, whereby coaches articulate alternative approaches, relay experiences gathered elsewhere, and help clients carefully consider opinions and options while providing support to achieve the desired success.

Differences occur between consulting and mentoring with consultants being accountable for recommending or implementing courses of action (Sperry, 1994), versus mentoring where executives assume responsibility for meeting arrangements and outcomes (Kram, 1988). Coaching, whilst being similar to consulting in that agreements are formed around goal-orientated outcomes, is based primarily on observing, asking questions, and allowing leaders to develop solutions through their own learning experience (Zeus & Skiffington, 2002). Grant (2003) espoused that coaches using collaborative, solution-focused approaches also use mentoring, counselling, consulting, and training skills. However, Garvey (2004) recommended that providers of coaching, mentoring and counselling services be clear about what it is they are offering, rather than standing behind a label and expecting it to be commonly understood and embraced.

According to Alderfer (1980), coaches are well advised to take a systemic approach by conducting objective organisational diagnosis, including observation and interviews, to
ensure that changes are implemented objectively. Business coaching which has been tailored to the needs of individuals with clear, established objectives articulated from the outset, and understood by both parties, has a better chance of success than unstructured arrangements (Devins & Gold, 2000). Structuring coaching and mentoring by linking to business issues, management needs, or culture change, can be effective as a basis for relationship change and growth (Garrett-Harris, 2006). Figure 2.3 shows consulting and mentoring skills underpinned by the business management discipline, forming the basis of expertise upon which coaches can formulate intelligent and penetrating questions, thus challenging leaders toward reaching agreed coaching objectives.

![Figure 2.3 Skills for business coaching.](image)

According to Porter (2000), the act of meeting with a coach to talk through issues, lays the foundation of motivating business owners into action. Coaching is even said to lean towards the role of trusted advisor with experienced individuals, who can pose the relevant, recurrent questions in order to elicit change, engaged for their knowledge and expertise in a given domain (Buchen, 2001).

Elements and techniques supporting the process of business coaching are outlined in the next section.

**Business Coaching Process**

The first step in the coaching engagement process is for business coaches and clients to reach agreement on a coaching programme, with time commitment, confidentiality, and outcomes to be expected (Kilburg, 1996). According to Porter (2000), the act of entrepreneurs meeting with coaches to talk through their business issues, lays the foundation...
for motivation to act. As shown in Figure 2.4 (adapted from Zeus & Skiffington, 2002), business coaching should progress through phases similar to consulting by: setting a foundation for the duration of the relationship; analysing the situation, issues or concerns; facilitating progress; and arriving at an outcome with programme measurement.

![Business coaching process framework](image)

*Figure 2.4 Business coaching process framework.*

Once the coaching focus has been agreed, techniques such as *reframing*, which can diffuse a painful situation and provide a new perspective to affirm progress, are used by some coaches while others work on leaders’ personal narratives as a way of exploring self-beliefs and behaviours (Kets de Vries & Korotov, 2007b). Expert-based perceptive questioning based on coaches’ business experience, can add credibility to understanding leaders’ needs, and provide objective feedback (Brotman et al., 1998). *Direct questioning* is regarded as likely to assist leaders to get to the nub of their thinking, thus gaining understanding and insight into potential and ability (O’Neill, 2000). Moreover, the direct questioning method of the solution-focused approach (Geldard & Geldard, 2001) has the effect of helping leaders externalise their problems by looking at them as opportunities to learn from, rather than as inhibitors to moving forward. In addition, proprietary tools, questionnaires, and mnemonics such as Whitmore’s (1996) *GROW* (Goals, Reality, Options, When), are used to aid questioning of leaders in a positive manner, and within the context of leaders’ awareness and willingness, enabling them to take responsibility for their actions (Buchen, 2001).

Self-assessment instruments such as the *Myers-Briggs Type Indicator* can be employed to assist leaders understand their personality and that of others (Muchinsky, 2006). Alternatively, assessment tools such as the *360-degree feedback* multi-source pre- and post-instruments are used to compare entrepreneurs’ self-perception of leadership style with that of, among others, colleagues, subordinates, and upper-management (Kets de Vries et al.,
Business coaching and SME growth

Instruments such as the 360-degree feedback are seen as particularly useful for leaders who are task focussed, closed-minded, and tend to react defensively to feedback (Ludeman & Erlandson, 2004). Such feedback to leaders, which details how others perceive a leader’s style and mode of behaviour, is used as a springboard for self-development within coaching relationships (Goodstone & Diamante, 1998).

By employing multi-source feedback, Smither, London, Flatt, Vargas, and Kucine (2003) found that a significant proportion of the 404 leaders working with coaches received greater improvement ratings from direct reports, supervisors, and peers, than those executives in the control group who did not work with coaches. Interestingly, after comparing and categorising published research, Dawdy (2004) conducted structured interviews with 62 participants who have received six months or more of coaching, reporting no significant differences in effectiveness and overall satisfaction between participants according to personality type. However, Bugas and Silberschatz (2000) claimed that entrepreneurs using business coaching as a continuous feedback loop can test out the limits of coaching relationships by seeking to have unmet and unconscious needs satisfied by exerting independence through alternative opinions and actions, which are endorsed during the coaching process, and frowned upon in other circumstances.

Through searching the literature and conducting coaching with three executive/managers, Burdett (1991) concluded that various coaching models, processes, and instruments can be used effectively to identify and work with leaders’ needs. Kilburg (1996) postulated that different types of consultation strategies were effective, such as using a systemic and mediated focus to interact and work with individuals, groups, and work units throughout the whole organisation. In addition, Rider (2002) claimed that time spent on diagnosis, problem identification, and agreement on required outcomes within a confidential context, can be worthwhile. According to Witherspoon and White (1996), in order for coaching interventions to be effective, coach and client enter into a partnership with the intention of introducing new challenges, alternative options, and different ways of behaving.

While Sperry (1993) asserted that deep self-disclosure, personal bonding, and confidentiality during coaching was not as necessary as during a counselling or consulting situation, other authors (e.g., Kilburg, 2000) claim that trust and rapport built between coach and leader are fundamental aspects of the relationship. Using a case study method to
ascertain the process of a coaching conversation, Orenstein (2000) observed that maintaining confidentiality as well as unconditionally accepting clients are a prerequisite to the development of trust and disclosure of issues during engagements. Gyllensten and Palmer (2007) identified a common theme of trust and transparency with coaches as the main element for the management of participants’ level of stress and increased confidence. However, using a control group and interpretive phenomenological analysis after interviewing nine work-place recipients of coaching, Gyllensten and Palmer (2006) found that while not significant, those that received coaching reported lower levels of stress post-program.

Despite the different approaches used by coaches, a number of positive effects from coaching have been recorded. Interviewing 46 entrepreneurs, Boussouara and Deakins (2000) reported that coaching provided by non-executive directors with whom the entrepreneur could trust, learn, and acquire knowledge from, were highly valued. In addition, during interviews with 12 participants based on adult learning theory, Becker (2007) identified key themes from the executive coaching relationship as the formation of deep trust and mutual respect which allowed time for reflection and practice, thus helping to make meaning of situations. Moreover, through reflection of what went well and why, coaching is said to help people gain skills and abilities (Rider, 2002), in addition to the knowledge to develop professionally and become more effective, than without such input (Leonard & Swap, 2005), thus enabling entrepreneurial leaders to deal effectively with change (Buchen, 2001).

Summary

This section examined a number of the major influencers that have informed business coaching. Various models and frameworks from the Business Management discipline, such as goal setting, strategic planning, financial management, interpersonal skill development, and double-loop learning are used to underpin business coaching sessions (Argyris, 2002; Drucker, 2005; Kaplan & Norton, 1996; Locke, 1996). The structure of consulting, with its emphasis on engagement agreement, situation analysis, and outcome measurement has been adopted for business coaching process (Block, 2000; Lee et al., 2004). While the extensive evidence-base of psychological theories and interventions such as non-judgemental listening
and direct questioning provide behavioural insights to coaching relationships, the danger that coaches might overstep their expertise when psychotherapy is more appropriate, has been noted (Arnaud, 2003; Berglas, 2002; Seligman, 2007).

Based on the literature review thus far, the next section lays out a framework for business coaching. Propositions are outlined, together with testable hypotheses.

**Business Coaching Framework and Hypotheses Development**

As stated previously, the objective of this thesis is to establish to what extent, if any, business coaching acts as an enabler to SME performance and growth. An extensive review of the literature so far, has shown that there is a limited amount of empirical evidence upon which to draw in the area of business coaching for entrepreneurs. Thus, research in the area of executive and workplace coaching has been examined in relation to the role of coaches and mentors, the process of the interaction with recipients, and results emanating from such experiences. This section summarises and adds to the aforementioned literature pertaining to the development of a framework for SME growth. Propositions are presented, together with the formulation of 17 testable hypotheses on factors contained within a proposed model of business coaching and firm growth.

Figure 2.5 depicts a proposed model of SME firm growth with contributing factors of business coaching and entrepreneurs’ level of confidence. Based on entrepreneurs’ characteristics and learning needs, the level of confidence consists of locus-of-control and self-efficacy, and is an antecedent to business coaching. Business coaching is made up of the inter-relationships between the coaches’ role, the coaching session focus, entrepreneurs’ perceived coaching results, and entrepreneurs’ satisfaction with coaching. In line with previous views (Barringer et al., 2005; Feindt et al., 2002; Gome, 2004), firm growth is measured by revenue performance and percentage over a sustained period.

The proposed model originates from an extensive review of the literature and theory, and is elucidated in detail below under the headings of business coaches’ role, business coaching session focus, business coaching results, business coaching satisfaction and entrepreneurs’ level of confidence.
Business Coaches’ Role

Business coaches can perform one of a number of roles within firms, such as skill enhancement for specific tasks, job performance improvement, learning and development, or responding to entrepreneurs’ changing agenda (Witherspoon & White, 1997). However, choosing suitable coaches should be made in the context of coaches’ experience and entrepreneur need for self-awareness and awareness of others, role integration, and designated leadership (Laske, 1999). For maximum effect, engagement depends on coaches helping entrepreneurs identify current issues and gaps between desired states (Rider, 2002), and creating partnerships built on trust and rapport, with the intention of introducing entrepreneurs to new challenges and working together to achieve outcomes (Kilburg, 2000).

Within relationships, business coaches perform various functions such as suggesting ways of reducing feelings of loneliness and isolation (Cooper & Quick, 2003); acting as sounding boards (Clutterbuck & Megginson, 1999); providing room for structured and
unstructured discussion (Devins & Gold, 2000); and assisting entrepreneurs to assess performance by giving objective feedback in order to achieve outcomes (Drucker, 2005). Interviewing eight coaches involved in a government agency coaching programme using action learning methods, Sullivan (2006) found a common theme with recipients not able to engage effectively in the learning process because of workload pressures, necessitating coaches to remain flexible in their approach. Representing confidantes (Cooper & Quick, 2003), business coaches listen to entrepreneurs’ concerns, conveying understanding and empathy (Clutterbuck & Megginson, 1999), in a non-judgmental manner (Whitmore, 1996).

More often, coaching carried out within the realm of effective communication, learning and facilitation (International Coach Federation, 2009), follows a structured goal focus, and tends to be a results orientated and time-limited process (Hall et al., 1999). Stone (1999) contended that coaches with high self-esteem, a thirst for knowledge and smart ways to work, and who welcome challenges to their own assumptions, are better positioned to work with, and challenge leaders’ assumptions. Further, Whitmore (1996) purported that the most important characteristics for coaches are the ability to listen to leaders and raise pertinent questions in a non-judgmental manner, and stated that coaches do not need to be technical experts, as such expertise can sometimes obstruct the responsibility leaders are willing to take for their own awareness and learning. However, Bolch (2001) advocated that coaches should have at least 10 years business experience as well as a relevant, advanced, academic degree before coaching entrepreneurs and business owners.

Kauffman (2010) exhorted coaches to integrate multiple theories and practices from a reservoir of practices and collected experiences, to ensure that entrepreneurs’ needs are met. To this end, business coaches might act as counsellors (Garvey, 2004); advisors with expert-based perceptive experiences grounded in suitable background and business experience (Leonard & Swap, 2005); or network facilitators providing advocacy, introduction to potential business partners (Kurtzman & Rifkin, 2005), and access to capital (Bhide, 2000). In some cases, business coaches take a solution-focused approach using thought-provoking questioning to engender such shifts as self-discovery and accountability, allowing entrepreneurs to view problems as opportunities to learn from, rather than inhibitors to moving forward (Creane, 2006).
In essence, the business coach’s role would seem to encompass that of sounding board to discuss problems, options and opportunities, being an effective listener, counsellor, and advisor, and as the need arises having the ability to be a network facilitator. Collectively, this view leads to the formulation of four hypotheses concerning entrepreneurs’ perceptions of the role performed by business coaches:

- **H\textsubscript{1a}:** The role adopted by business coaches positively influences the collaborative focus of business coaching sessions
- **H\textsubscript{1b}:** The role adopted by business coaches positively influences entrepreneurs’ locus-of-control (internal)
- **H\textsubscript{1c}:** The role adopted by business coaches positively influences entrepreneurs’ locus-of-control (external)
- **H\textsubscript{1d}:** The role adopted by business coaches positively influences entrepreneurs’ self-efficacy

**Business Coaching Focus**

Business owners are influenced contextually by a number of variables (Rider, 2002). To be effective, coaches first need to understand the environment in which entrepreneurs work, and factors impacting on everyday operations and long-term strategies. Firms seize opportunities to satisfy customer needs and wants within contexts of internal and external constraints (Delmar et al., 2003). However loosely defined, all firms establish and seek to achieve objectives, and usually have strategies to achieve these ends (Finkelstein et al., 2007). Company growth is a balance of profitability and risk, with internal control and assessment acting as a gauge for checking performance (Kaplan & Norton, 1996). Although firm growth is often measured in terms of revenue turnover, other elements such as firm demographics (e.g., age, size, industry) impact growth (Delmar et al., 2003). After interviewing 12 participants, Bush (2005) identified that effective coaching occurs when provided within a structured process using tools, models, and processes focussed on self-development and conducted with executives motivated to achieve success.

Business coaches focus conversations according to entrepreneurial needs (Rider, 2002). Because firms are complex entities, coaching conversations might focus on customer requirements and demand (Delmar et al., 2003); goods and services production, and
innovation, combined with strong leadership to achieve growth (David, 1991); or processes and procedures adopted by a firm with methods and systems implemented for peak efficiency and effective management (Gerber, 2005). By asking appropriate questions, coaches can establish where entrepreneurs and firms are currently placed in relation to future objectives, thus building an understanding of gaps between reality and desires (Ohmae, 1982). Gaining insight into a client’s present situation, and enthusiasm for working on targeted goals, enables coach and entrepreneur to work in tandem to achieve change and targeted outcomes (Zeus & Skiffington, 2002). Using dialogue, feedback and reflective practice as the grounding for effective coaching, Jones (2005) found, after interviewing eight business coaches, that coaching facilitated the increased awareness of leaders, thus enabling them to perform at a higher level in order to achieve their goals. Entrepreneurs with a clear-cut vision are more likely to set goals, objectives, identify tasks (Locke, 1996), and achieve outcomes (Leedham, 2005), than those who do not have such qualities.

An appropriate match between business coach and entrepreneur, in terms of skill and experience together with specific training, ensures that each party understands the nature of the relationship and expectations (Megginson et al., 2006). Business coaches have the ability to recognise firm stage of growth, and might initially concentrate on ensuring entrepreneurs have a clear vision and strategy, with appropriate goals (Leonard & Swap, 2005). Equally, business coaches provide leadership development for effective cultural change (Garrett-Harris, 2006), particularly where problems with people arise owing to ineffective leadership and multi-cultural experiences (David, 1991). Some business coaches focus entirely on leadership development by enabling entrepreneurs to build relationships, manage firm politics, and communicate clearly to employees (Compernolle, 2007).

Therefore, business coaching commonly focuses on developing the entrepreneur’s vision and goals, discussing customer needs, stakeholder involvement in the business and the processes and production involved in running the business, and importantly, working effectively with people and providing good leadership. Accordingly, the following four hypotheses of coaching session focus are presented:

H2a: The business coaching session focus positively influences the results of business coaching sessions
H2b: The business coaching session focus positively influences entrepreneurs’ locus-of-control (internal)

H2c: The business coaching session focus positively influences entrepreneurs’ locus-of-control (external)

H2d: The business coaching session focus positively influences entrepreneurs’ self-efficacy

**Business Coaching Results**

Although very few firms measure coaching results, the services are expected to lead to sound decision making; ideas and options generated for moving forward; fulfillment of objectives and goals; and heightened self-awareness, and understanding of strengths, weaknesses, and performance needs (Witherspoon & White, 1996). However, it has been estimated that less than 10% of coaching has any return-on-investment measure of successful, or not, outcome (Bolch, 2001). As a case in point, interviewing 10 SMEs, Peel (2008) identified reluctance to engage coaches due to lack of evidence regarding ROI.

How to measure coaching ROI has been a topic of contention regarding tangible, hard results versus recipient evaluation through self-reporting. Kauffman and Bachkirova (2008) asserted that, given the multi-disciplinary nature of coaching, results can be evaluated from clearly physical, observable, and empiric-analytical, reliably measured events or alternatively from mental, phenomenological exploration perspectives. As Ludeman and Erlandson (2004) noted, outcome results are dependent on a wide variety of factors, such as commitment, company culture, and that behavioural changes usually take 6-12 months to embed. Krajl (2001) advised initially interviewing clients for their perceptions on outcome expectations before settling on an agreement, with preferably pre- and post-coaching metrics relating to such areas as goals accomplished and behavioural changes to be achieved.

Some coaching evaluation has been modeled on classic approaches to appraise training programs first proposed for Kirkpatrick (1977; 2006) over three decades ago, which centre on reaction and degree of satisfaction, and the extent that learning, and perceptions of behaviour change take effect as a result of the training program. For example, Mackie (2007) proposed that Kirkpatrick’s (2006) training evaluation methodology be adapted to evaluate coaching by *focussing on leaders’ reaction to the programme, including satisfaction*
and readiness to change, level of awareness and transfer and organisational impact (p.314) in areas such as sales, retention, satisfaction, and promotion through methods of observation, self-rating, and business performance data. Nevertheless, Dawdy (2004) pointed out that different goals are hard to commonly evaluate and using methodologies developed by authors, such as Kirkpatrick (2006), as a means for evaluation and justification, should not be a substitute for being able to draw on evidenced-based information from a wide variety of sources that would be more valuable in the long-run to those engaging coaching services.

A considerable number of coaching research studies have been conducted through intangible, that is, not directly measureable case study approaches, which generally take a phenomenological stance with small numbers of participants. Table 2.1 shows examples of coaching research which use intangible measures, such as behavioural changes and increased commitment.

Table 2.1 Intangible Coaching Results

<table>
<thead>
<tr>
<th>Author/s</th>
<th>Sample (n)</th>
<th>Concept/Research Design</th>
<th>Intangible Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bush (2005)</td>
<td>Employees (n=12)</td>
<td>Interviews: Client perspective of effectiveness</td>
<td>Increase in both personal and business-related results.</td>
</tr>
<tr>
<td>Dembkowski &amp; Eldridge (2008)</td>
<td>Chief executive (n=1)</td>
<td>Case study: Self-awareness &amp; increased performance on 360-degree feedback</td>
<td>More confidence engaging the support of internal and external stakeholders.</td>
</tr>
<tr>
<td>Diedrich (1996)</td>
<td>Manager (n=1)</td>
<td>Case study: Performance coaching</td>
<td>Positive change to managerial style and behaviours.</td>
</tr>
<tr>
<td>Peel (2006)</td>
<td>SME owners (n=10)</td>
<td>Interviews: Relationship between coaching and organisational culture</td>
<td>Culture determining support given to coaching and mentoring activity.</td>
</tr>
<tr>
<td>Sztucinski (2001)</td>
<td>Executives (n=7)</td>
<td>Interviews: Coaching experience; self-development guide</td>
<td>Reported achievement; taking ownership; self development; relationship with coach.</td>
</tr>
</tbody>
</table>

Orenstein (2006) claimed that case study data could be evaluated when questions were designed using instruments, such as 5-point scales, that are able to be analysed and
measured statistically. Laske (2004) contended, following interviews with six leaders, that ROI emanates from the process itself and behavioural development, and is validated when entrepreneurs’ mental-emotional growth has been supported and enhanced through coaching. However, Lowman (2001) argued that to be credible, case study material should contain specific events and variables, interventions used, diagnostic interpretations, and possible alternative explanations of results.

Table 2.2 *Tangible Coaching Results*

<table>
<thead>
<tr>
<th>Author/s</th>
<th>Sample (n)</th>
<th>Concept/Research Design</th>
<th>Tangible Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anderson, Dauss, &amp; Mitsch (2002)</td>
<td>Employees (n=43)</td>
<td>Performance based on 360-degree feedback</td>
<td>$250,000 in documented annualized productivity benefits recorded.</td>
</tr>
<tr>
<td>Edwards &amp; Lounsberry (2008)</td>
<td>New recruits (n=11)</td>
<td>New employee (less than one year) retention program</td>
<td>Reduced new staff turnover from 12% to 0%.</td>
</tr>
<tr>
<td>Fanasheh (2003)</td>
<td>Executives (n=143)</td>
<td>Coaching services perception; Theory: modified proprietary instrument</td>
<td>32% of executives who hired coaches said the outcomes were worth it.</td>
</tr>
<tr>
<td>Homan, Miller, &amp; Blanchard (2002)</td>
<td>Employees (n=67)</td>
<td>Field sales division improvement</td>
<td>Employee retention increased 47%; reduced customer erosion 21%; hiring and training savings 18%; sales productivity increase 14%.</td>
</tr>
<tr>
<td>McGovern et al., (2001)</td>
<td>Executive leaders (n=100)</td>
<td>Learning, behavioural change, business results</td>
<td>Reduced turnover, increased productivity, calculated ROI from coaching.</td>
</tr>
<tr>
<td>Moen &amp; Skaalvik (2009)</td>
<td>Executives &amp; middle managers (n=127)</td>
<td>Longitudinal effects on self-efficacy, goal setting, casual attribution, need satisfaction</td>
<td>Statistically significant, positive change in self-efficacy, goal setting, increased performance, need satisfaction</td>
</tr>
<tr>
<td>Olivero et al., (1997)</td>
<td>Managers (31)</td>
<td>Productivity improvement Compared training with coaching to training only.</td>
<td>Increased productivity by 22.4%.</td>
</tr>
<tr>
<td>Parker-Wilkins (2006)</td>
<td>Senior leaders (n=26)</td>
<td>Increase productivity, retention, satisfaction, teamwork</td>
<td>Calculated productivity and ROI from coaching 700%.</td>
</tr>
<tr>
<td>Phillips (2008)</td>
<td>Executives (n=25)</td>
<td>Staff retention; identify &amp; develop learning needs for company growth</td>
<td>Reduced staff turnover from 28% to 17%. Increased commitment leading to improved teamwork; job satisfaction; customer service; communication.</td>
</tr>
</tbody>
</table>
Whilst some early coaching studies focused on success outcomes, findings in general indicate that coaching failed as the byproduct of verifiable business performance and growth (Kilburg, 2000) with very few coaching results determined by ROI (Bolch, 2001). However, effectively tracking how business coaching contributes meaningfully to ROI when a limited number of firms use any form of measurement, has been an ongoing issue (Fritsch & Powers, 2006). Table 2.2 shows tangible evidenced-based coaching results.

Mixed-method approaches have been employed to investigate results or outcomes associated with business coaching. For example, after interviewing 100 leaders and estimating the cost of coaching received, McGovern et al. (2001) identified intangible benefits of improved relationships emanating from coaching, as well as tangible impacts on productivity and quality. Using a multi-method approach and ROI analysis with 10 executives of a high potential development scheme, Feggetter (2007) found that 40% of those who received coaching increased their skills and were appointed to more senior positions, compared to 22% of those who have not received coaching.

The literature points to ROI being assessed through a mix of tangible and intangible measures in the areas of decision making, generating ideas, achieving goals, gaining self-awareness, and embarking on self-development, as well as having a more positive attitude and increased confidence. Connection between the coaches’ role and session focus determines entrepreneurs’ perception of business coaching results, leading to the following four hypotheses:

\[ H_{3a} \]: Results of business coaching positively influences entrepreneurs’ satisfaction with coaching

\[ H_{3b} \]: Results of business coaching positively influences entrepreneurs’ locus-of-control (internal)

\[ H_{3c} \]: Results of business coaching negatively influences entrepreneurs’ locus-of-control (external)

\[ H_{3d} \]: Results of business coaching positively influences entrepreneurs’ self-efficacy

**Business Coaching Satisfaction**

Satisfaction is the perception that something brings fulfillment. Clutterbuck and Megginson (1999) claimed that business coaching brought satisfaction and worked best when
planning and preparation are well executed, training is provided on role expectations, responsibilities are defined at the outset, and developmental support provided at intervals thereafter. However, Ragins et al. (2000) found that participants in a mentoring programme rated the relationship with the mentor provided a greater degree of satisfaction than the effectiveness of the programme. Additionally, Leedham (2005) asserted that the connection between coaches’ personal attributes and skills is seen as important to coaching programme effectiveness and satisfaction; with Leonard and Swap (2005) finding that entrepreneurs preferred sessions delivered within agreed time-frames by practicing business coaches with relevant background and experiences.

Coaching, through reflection of what went well and why (Rider, 2002), is said to help people gain skills and abilities to develop professionally, and become more effective than without such input (Leonard & Swap, 2005). Using powerful questioning and active listening under an umbrella of confidentiality, business coaches can establish trust and intimacy with entrepreneurs (Auerbach, 2006). During nine phenomenological self-developed interviews loosely based on existing research, Hurd (2002) identified themes associated with the relationship between coach and recipient, and change enablement, helping leaders develop self-awareness.

Effective outcomes of business coaching hinge on entrepreneurs gaining insight into their present situation and envisioning future goals (Stober, 2006), with lasting behavioural change advocated through the use of interdisciplinary coaching strategies involving adult development and change (Goodstone & Diamante, 1998). Moreover, perceptions that the investment in coaching effectiveness (Fanasheh, 2003) and satisfaction with a coaching programme, can translate into new learning which, in turn, increases firm performance (Mumby-Croft & Brown, 2005). After interviewing 75 leaders, Hall et al. (1999) identified positive coaching outcomes for entrepreneurs as: acquiring new skills; gaining broader perspectives; experiencing advanced problem solving skills; and achieving overall performance improvement. Furthermore, business coaching based on partnership, education and competency, with coach and entrepreneur working together, increases the likelihood of achieving outcomes, and thus satisfaction with an engagement (Witherspoon & White, 1996). Long-lasting effects of coaching satisfaction appear to be positive changes in self-efficacy, continued goal setting, and increased performance (Moen & Skaalvik, 2009).
Satisfaction with business coaching can be engendered from one or a combination of variables such as the session period, cost of services, delivery method, relationship between coach and entrepreneur, coach’s style and role played, in addition to outcomes. Thus, results obtained from business coaching are likely to effect entrepreneurs’ perception of satisfaction, leading to the following three hypotheses:

- \( H_{4a} \): Satisfaction with business coaching positively influences entrepreneurs’ locus-of-control (internal)
- \( H_{4b} \): Satisfaction with business coaching positively influences entrepreneurs’ locus-of-control (external)
- \( H_{4c} \): Satisfaction with business coaching positively influences entrepreneurs’ self-efficacy

**Entrepreneurs’ Level of Confidence**

Previous research has established that firm success is based on characteristics of the founder with certain personality traits and characteristics cognisant with entrepreneurial behaviour and business success. For example, Collins, Hanges, and Locke (2004) identified achievement motivation as a key contributor to predicting entrepreneurial performance. Bandura and Locke (2003) espoused that at the centre of causal processes lie self-generated activities with strong self-efficacy affecting motivation and actions, resulting in increased performance and goal attainment. Hollenbeck and Hall (2004) found that self-confidence reflects the perception of entrepreneurs’ ability to change events and circumstances, leading to a judgment about whether specific tasks can be achieved, and assert that self-efficacy can be developed through experience, modelling others, convincing others, and managing emotions.

Strong self-efficacy beliefs can be independent of the ability to perform, with knowledge and skills also required for effectiveness and increased performance. For example, entrepreneurs with high self-efficacy are likely to improvise, execute novel actions, and engage in new enterprise performance (Hmielski & Corbett, 2008), while goals, self-efficacy, and communicated vision have been linked directly to venture growth (Baum & Locke, 2004). Further, entrepreneurs with strong self-efficacy tend to believe in decisions involving their own abilities and that of employees (Forbes, 2005), while conscientiousness,
emotional stability, and openness can moderate positive correlations with self-efficacy (Stewart, Palmer, Wilkin, & Kerrin, 2008). In addition, self-efficacy can be a personal resource forming a buffer against stress, anxiety, and burnout (Jerusalem & Schwarzer, 1992). However, entrepreneurs can be overly self-confident and show bad decision making about their ability to perform (Baron, 2000).

Rotter’s (1971, 1990) internal/external locus-of-control scale measures persons’ expectations of their perceived ability to influence and change situations based on their behaviour and personal characteristics (internal locus-of-control), versus persons believing that they are powerless to change situations created by powerful others, and that any change would be due to chance or luck, rather than their behaviour (external locus-of-control). Boone, de Brabander, and Witteloostuijn (1996) suggested that entrepreneurs with internal locus-of-control have an ability to implement strategies successfully, which possibly related to a leadership style of controlling outcomes, whereas entrepreneurs with external locus-of-control are not as likely to be as effective in implementing strategy and controlling outcomes.

However, different outcomes have emanated when researchers have used the locus-of-control construct. For example, as founders of relatively young companies and confirming high need for achievement, Begley (1995) found that entrepreneurs are risk takers and have external locus-of-control. Similarly, Boone et al. (2000) identified locus-of-control as a predictor of small firm performance, and after a longitudinal study found that nearly all externally orientated entrepreneurs’ firms failed, and were more likely to go bankrupt. The study by Mueller and Thomas (2000) across 25 countries, identified that entrepreneurs from cultures with a more individualistic orientation exhibited internal locus-of-control, compared to collectivist cultures that were more likely to portray entrepreneurs with external locus-of-control.

Boone and de Brabander (1993) contended that external locus-of-control was more indicative of larger firms and more likely to be measuring situational contexts rather than personality. Further, Boone and de Brabander (1997) highlighted problems surrounding locus-of-control with self-reporting and common methods bias based on participants’ inclination to give logically consistent answers; individuals’ environmental differences; present mood; and social desirability for particular characteristics. However, Hansemann (2003) found, after a longitudinal study, that locus-of-control did have predictive validity of
entrepreneurial activity, albeit for men but not for women. Moreover, Spector, Cooper, Sanchez, O’Driscoll and Sparks (2002) concluded that locus-of-control is a sound predictor of degree of control in the work-place.

Schenkel et al. (2007) contended that using self-efficacy as an antecedent to entrepreneurial intention is effective in the short-term, but does not measure-up as a long-term predictor, whereas Rauch and Frese (2007) found generalised self-efficacy to have a strong relationship with success. In a study with 175 business owners to distinguish entrepreneurs from managers, Chen, Greene, and Crick (1998) identified entrepreneurial self-efficacy which is belief-based, as a better predictor of entrepreneurs than locus-of-control which measures situations. Using structural equation modelling with 133 participants from Central Asia, Luthans and Ibrayeva (2002) found that entrepreneurial self-efficacy within transitionary environments, contributed significantly to performance outcomes.

However, cognitive preferences and style can influence self-efficacy to the degree that entrepreneurs might choose either an analytical, task orientated style versus a more personable selling oriented style, to the detriment of a less preferred style (Kickul, Gundry, Barbosa, & Whitcanack, 2009). While Hollenbeck and Hall (2004) cautioned against confusing the terms of self-esteem and self-confidence where the former is akin to valuing oneself and the latter refers to ability to perform, Judge, Erez, Bono and Thoresen (2002) suggested that, after finding similarities between locus-of-control, self-efficacy, and other measures of self-esteem, using more than one construct can obtain more effective discriminant reliability.

Clearly, entrepreneurial level of confidence has an effect on firm performance. Thus, it is hypothesised that:

\[ H_{5a}: \] Entrepreneur’s locus-of-control (internal) positively influences firm growth
\[ H_{5b}: \] Entrepreneur’s locus-of-control (external) negatively influences firm growth
\[ H_{5c}: \] Entrepreneur’s self-efficacy positively influences firm growth

Summary

This section has focussed on the areas of relationships between the coaches’ role, the coaching session focus, entrepreneurs’ perceived coaching result, entrepreneurs’ satisfaction with business coaching, and entrepreneurs’ level of confidence. The literature review
suggests that inter-dependent relationships exist between these elements, which together, are responsible for successful outcomes. Accordingly, a hypothesised model is proposed for business coaching, entrepreneur level of confidence, and firm growth. Seventeen testable hypotheses on the inter-relationships between factors contained within the model are outlined and shown in Figure 2.6.

Figure 2.6 Hypothesised model of business coaching and firm growth.

Figure 2.6 shows that business coaching is proposed to be an indirect-influencer of firm growth and an antecedent to entrepreneurial level of confidence. Chapter 3 presents the research design for this thesis.
CHAPTER 3: RESEARCH DESIGN

Overview

Chapter 3 outlines the research design employed in this thesis. Studies 1 and 4 involve qualitative approaches and Studies 2 and 3 utilise quantitative research methods. Each study is independent but inter-related by building upon one another to establish a sound platform for the following study. As previously presented in Chapter 1, Table 3.1 shows the overall design of the four studies under investigation. Reasons for using a mixed-method approach are outlined next.

Table 3.1 Overall Research Design

<table>
<thead>
<tr>
<th>Study</th>
<th>Aim</th>
<th>Research Question</th>
<th>Design</th>
<th>Method</th>
<th>Cohort</th>
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<tr>
<td>Study 1</td>
<td>To explore plausibility of classifications and assumptions</td>
<td>How does business coaching contribute to firm growth?</td>
<td>Exploratory qualitative approach using content analysis</td>
<td>Semi-structured face-to-face interviews with business coaches and SME entrepreneur/leaders</td>
<td>Business coaches (n=2) SME leaders coached (n=2)</td>
</tr>
<tr>
<td>Study 2</td>
<td>To establish outcome measures for business coaching</td>
<td>What difference, if any, does a structured programme make to entrepreneurs’ perceptions of business coaching?</td>
<td>Quantitative methods using multivariate statistics</td>
<td>Pre-post pilot outcome study of SME entrepreneurs undertaking group training with one-on-one business coaching</td>
<td>Previous business coaching (n=45) versus No previous business coaching (n=80)</td>
</tr>
<tr>
<td>Study 3</td>
<td>To identify the contribution of business coaching to firm growth</td>
<td>What contribution if any, does business coaching make directly or indirectly to firm growth?</td>
<td>Quantitative analytical techniques with structural equation modelling</td>
<td>Cross-sectional survey of fast-growth SMEs</td>
<td>Business coaching (n=100) versus No business coaching (n=100)</td>
</tr>
<tr>
<td>Study 4</td>
<td>To corroborate findings from Study 3 by exploring entrepreneurs’ experiences</td>
<td>What are the experiences of fast-growth entrepreneurs when receiving business coaching?</td>
<td>Interpretative qualitative design</td>
<td>Semi-structured telephone interviews involving entrepreneurs of fast-growth SMEs</td>
<td>SME entrepreneurs business coached (n=39)</td>
</tr>
</tbody>
</table>
Mixed-Methods Research Design

The design underpinning this thesis is a mixed-methods design involving sequential data collection leading to a pragmatic understanding of the research problem posed (Creswell, 2003). As Bygrave (1989) pointed out, entrepreneurship is a process evolving over time, and therefore cannot be measured as a linear event or continuous dimension because of environmental variations and other factors. Moreover, Chandler and Lyon (2001) highlighted the difficulties in obtaining archival data from privately held firms with many small businesses either not having formal documentation or being reluctant to provide information.

Studies in this thesis comprise both quantitative and qualitative methods of data collection. Quantitative measures take a deductive positivist approach to statistically analyse data and predict events (Cavana, Delahaye, & Sekaran, 2001). According to Johnson and Duberley (2000), positivism aims to focus on the observable to identify causal explanations which enables the establishment of fundamental laws that explain the process of social behaviour. Using structured methodologies and establishing hypotheses a priori (Saunders et al., 2000), post-positivist approaches begin with theory, collect data through pre-test and post-test measurement to either support or refute hypotheses, and finally make revisions before collecting additional data (Creswell, 2003). Hox and Bechger (1998) advocated using structural equation modelling, which has been guided by theory and empirical results from previous research, to form causal relations.

In contrast, Cavana et al. (2001) argued that even though positivism remains objective owing to separation from participants during data gathering, human activities can lose meaning when reduced to numbers. Johnson and Duberley (2000) contended that the meaning of text cannot be inferred without interaction between the author and interpreter. Moreover, Hill and McGowan (1999) argued that traditional, positivist and quantitative data collection methods do not take account of the individual nature and characteristics of entrepreneurs. For example, Hill and Wright (2001) recommended that SME circumstances (e.g., environment, industry, organisational structure) and entrepreneurial orientation (e.g., personalities) are best portrayed through qualitative research. Moreover, Hill and McGowan (1999) drew attention to the unique contribution and influence of key personality and behavioural attributes of entrepreneurs who drive the development of businesses by
determining the vision, taking risks, and forging ahead with sheer motivation. To this end, qualitative procedures take an interpretive stance to reconstruct understandings from iteration between participants and researcher (Guba & Lincoln, 1994), by tapping into the experiences and paradigms of participants through meaning-making of the world they live in (Johnson & Duberley, 2000), thus enriching findings. However, while interpretive approaches allow researchers to experience realities in different ways and uncover the richness and complexity of peoples’ thinking, criticisms centre on subjectivity and relatively narrow foci (Cavana et al., 2001).

Qualitative approaches such as grounded theory use systematic inductive guidelines to collect data in order to verify and develop theory (Charmaz, 2000). Ryan and Bernard (2000) stated that grounded theory is an iterative process by which the analyst becomes more and more “grounded” in the data and develops increasingly richer concepts and models of how the phenomenon being studied really works (p.783). Caracelli and Greene (1993) advocated transforming data during statistical or thematic analysis to obtain a dialectic view towards an integrated depth of understanding using overlapping conceptualisations of phenomena, and thus guide qualitative methods for independent triangulation. Jick (1979) argued that triangulation, a systematic collection of both quantitative and qualitative data collection, was a way of identifying unique variances over and above single method use, as well as cross-checking internal consistency and reliability. For example, according to Spector (2006), common method variance can occur owing to potentially biasing factors with self reports as a result of social desirability, that is, through negative affectivity by reporting events as stressful and dissatisfying, or acquiescence by agreeing with everything. Further, Podsakoff, MacKenzie, Lee, and Podsakoff (2003) attributed common methods variance to techniques used rather than constructs which can be subject to social desirability, that is, the need for acceptance to answer questions on items in a supposed correct way.

A triangulated approach can help to establish relationships between quantitative and qualitative methods, and advance conclusions (Saunders, Lewis, & Thornhill, 2000). Moreover, the use of both quantitative and qualitative approaches can increase researchers’ confidence and validate findings, as well as serve to reduce common methods bias (Creswell, 2003). However, Jick (1979) cautioned that although triangulation enables researchers to have a high level of confidence in results, the approach does not compensate for weaknesses
in single method research. While using quantitative or qualitative techniques in isolation can lead to an incomplete picture of cohorts under investigation, Jack and Raturi (2006) argued that a complementary interface must reinforce similarities across studies.

It is for the reasons stated that a mixed-methods design, in the form of a triangulated approach, is employed to help establish relationships between quantitative and qualitative methods with the objective of enriching findings. The four integrated studies in this thesis will adhere to Johnson and Duberley’s (2000) admonitions to ensure that: internal validity is maintained by generating causal links in a controlled environment; external reliability is supported through the efficacy of measures; and representative samples facilitate generalisability, thus enabling patterns highlighted to be replicated within the general population.

The next four chapters focus on reporting Studies 1, 2, 3, and 4, respectively. The overall aim of Studies 1 and 2 is to select, develop, and test suitable constructs, and to determine appropriate participants for Study 3. The overall aim of Studies 3 and 4 is to determine the effects of business coaching on firm growth. The following Chapter 4 reports on Study 1.
CHAPTER 4: STUDY 1

INVESTIGATION OF ENTREPRENEURS AND BUSINESS COACHES VIEWS REGARDING THE PROCESS AND OUTCOMES OF BUSINESS COACHING

Overview

Chapter 4 reports on the findings of Study 1, a pilot study involving business coaches and entrepreneurial leaders utilising qualitative research methods (Table 4.1). Study 1 explores perceptions of business coaches, and SME entrepreneurial leaders that received coaching. The research design and methodology is presented, including a description of participants, measures, data collection, and procedures. The present chapter concludes with a discussion of findings and limitations. Material gathered on business coach and SME entrepreneur/leader perceptions of their experiences is used to conceptualise and develop propositions before further research is undertaken. Recommendations and implications which form the basis for Study 2 are outlined.

Table 4.1 Design of Study 1: An Investigation of Entrepreneurs and Business Coaches Views Regarding the Process and Outcomes of Business Coaching

<table>
<thead>
<tr>
<th>Aim</th>
<th>Research Question</th>
<th>Method</th>
<th>Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>To explore plausibility of classifications and assumptions</td>
<td>How does business coaching contribute to firm growth?</td>
<td>Semi-structured face-to-face interviews with business coaches and SME entrepreneur/leaders</td>
<td>Business coaches (n=2) SME leaders coached (n=2)</td>
</tr>
</tbody>
</table>

Study 1 is exploratory in nature, with the aim of obtaining the views of highly experienced business coaches about the services they provided, and the entrepreneurial leaders they coached for their experience and results associated with the business coaching they received. In order to demonstrate the plausibility of classifications and assumptions, material gathered is examined for differences between entrepreneurs establishing and maintaining lifestyle businesses versus fast-growth businesses. Termed gazelles by Lesonsky (2007), Birch (1997) maintained that very few firms achieve fast-growth and are able to sustain the pressured trajectory of satisfying shareholder needs. In contrast, Hay and Kamshad (1994) claimed that some entrepreneurs prefer to maintain a lifestyle with a slow growth-rate without fear of shareholder influence. The question addressed during this stage
of the research is: *How does business coaching contribute to entrepreneurs’ performance and firm growth?*

**Research Design**

Study 1 takes a qualitative approach with a small sample of business coaches and entrepreneurial leaders engaged in business coaching. Grounded theory is used as an interim measure (Huberman & Miles, 1994), taking a systematic method of inquiry with the purpose of building and forming theory (Charmaz, 2000). An inductive, interpretative method is used during the face-to-face interviews between participants and researcher (Guba & Lincoln, 1994), thus drawing meaning-making from the entrepreneur’s world (Johnson & Duberley, 2000). Choosing a conceptual framework upon which to draw and verify conclusions, data underwent a reasoned process of collection, storage and retrieval (Huberman & Miles (1994). Interview material was content analysed to reconstruct understandings from iteration (Strauss & Corbin, 1994), with text segmented into meaningful components by the present researcher constantly making comparisons to discover themes (Ryan & Bernard, 2000). Common themes of business coaches’ expectations and entrepreneur/leaders’ experiences were used to form and develop propositions before undertaking subsequent research in Study 2.

**Method**

**Participants**

The four participants in Study 1 are two entrepreneur/leaders receiving business coaching, and the two business coaches who provided coaching services to these entrepreneurs. Entrepreneurs are SME founders of internally grown Australian operations with average annual gross revenue of $7-9 million over a three-year period. Both male, entrepreneurs are aged between 35-45 years and tertiary educated. One entrepreneur, from the manufacturing industry who employed 30 people three years previously, employed 100 people at the time of this study. The other entrepreneur, from the wholesale trade industry, maintained a steady employment rate of 12-14 people over a three-year period. The entrepreneurs had engaged their business coaches, who were both male, for a period of 4-8 years, met with them for two hours each month, and paid them $A200 per hour. One entrepreneur agreed on business coaching outcomes at the commencement of the agreement,
whereas the other entrepreneur did not agree on outcomes. Entrepreneurs reported being extremely satisfied with the relationship with their business coach and the outcome of business coaching; and very to extremely satisfied with the period/length of the sessions, the cost of the sessions, the style and approach of the business coach, and the role of the business coach.

The two business coaches indicated having worked, for the last eight years, with a professional company that trains business coaches to provide structured group training complimented by one-on-one business coaching services to entrepreneurial leaders. The providers of the services are both male, aged between 50-60 years; have previously owned, partnered in, and sold businesses; and possess qualifications in business, with one business coach a credentialed mentor coach, and the other having qualifications in human resources. Previous to coaching, one business coach was in business management while the other was a management consultant, and both were currently involved in other pursuits other than business coaching, such as human resources, training, and teaching. In addition to the one-on-one coaching, entrepreneurs attended a group training programme, run by the business coaches for one day per month, and which comprised of 12-15 leaders from non-competing SMEs. The next section outlines the procedures and interview protocols used in the current study.

Procedures and Interview Protocols

All participants received a plain language statement (Appendix 4.1 Plain Language Statement) and signed a copy of the prescribed consent form for persons participating in research projects involving questionnaires and interviews (Appendix 4.2 Prescribed Consent Form). Entrepreneurs completed the business coaching experience questionnaire (Appendix 4.3 Business Coaching Experience) containing items associated with firm demographics (Delmar et al., 2003), with the second section relating to business coaching experience (Clutterbuck & Megginson, 1999; Kleinberg, 2001). Business coaches completed the business coach questionnaire (Appendix 4.4 Business Coach Questionnaire) which contained items about their business coaching background, with section two querying their business coaching practice (Clutterbuck & Megginson, 1999; Kram, 1988; Orenstein, 2000).
Face-to-face semi-structured interviews of approximately 50 minutes duration were conducted separately with each of the four participants on their business premises. Participants were advised that the interview was to be tape recorded for research purposes and that material collected would be transcribed and reported anonymously. Table 4.2 shows three semi-structured interview questions asked of business coaches, but not entrepreneurs. The intention of these questions was to understand business coaches’ assumptions and interpretation of coaching and mentoring (Clegg et al., 2003; Kram, 1988; Whitmore, 1996).

Table: 4.2 Semi-Structured Interview Questions for Business Coaches

<table>
<thead>
<tr>
<th>Business Coach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have a definition of mentoring?</td>
</tr>
<tr>
<td>How do you differentiate mentoring from coaching?</td>
</tr>
<tr>
<td>Do you at times do coaching when you are mentoring?</td>
</tr>
</tbody>
</table>

Table 4.3 contains eight similar semi-structured interview questions which were asked of business coaches and entrepreneurs. Each pair of questions has a theme pertaining to influence, experience, focus, and measurement of business coaching or training (Hurd, 2002; Kauffman & Bachkirova, 2008; Leonard & Swap, 2005; Megginson et al., 2006; Ward, 2007).

Part-way through the interview, the present researcher showed Figure 4.1, the co-dependent function of firms (Covey, 1989; Delmar et al., 2003; Finkelstein et al., 2007; Ohmae, 1982) to business coaches and entrepreneurs, and read out the following script:

*Can I show you a diagram? This is what a firm is normally about: the context contains the vision and goals the company sets; customers are external; stakeholders could include equity holders; and the internal part of firms is the production which might be manufacturing or creating a product or service; processes with procedures and systems; and people with all the issues of industrial relations, style, personalities, etc. On this diagram, where do you think you would mainly spend your time in business coaching sessions?*
Table: 4.3 *Semi-Structured Interview Questions for Business Coaches and Entrepreneurs*

<table>
<thead>
<tr>
<th>Theme</th>
<th>Business Coach</th>
<th>Entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q.1 Business coaching influence</td>
<td>What influence did business coaching have on the growth of the entrepreneur?</td>
<td>To what degree did business coaching contribute to your firm growth?</td>
</tr>
<tr>
<td>Q.2 Training programme influence</td>
<td>What influence did the training programme have on entrepreneurs’ firm growth?</td>
<td>What influence did the training programme have on your firm growth?</td>
</tr>
<tr>
<td>Q.3 Firm growth and business coaching</td>
<td>Would the firm have grown as much if the entrepreneur received business</td>
<td>Would your firm have grown as much if you had received business coaching only and not training?</td>
</tr>
<tr>
<td>without training</td>
<td>coaching only and not the training?</td>
<td></td>
</tr>
<tr>
<td>Q.4 Tools and models used by business</td>
<td>What tools/models did you use when you were business coaching?</td>
<td>What tools/models did your business coach use?</td>
</tr>
<tr>
<td>coaches</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q.5 Focus during business coaching</td>
<td>What areas did you focus most on during the business coaching sessions?</td>
<td>What areas did you focus most on during the business coaching sessions?</td>
</tr>
<tr>
<td>coaching sessions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Researcher shows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mode co-dependent Functions of Firms.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Figure 4.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q.6 Entrepreneur drivers</td>
<td>What drives the entrepreneur you were working with?</td>
<td>What drives you?</td>
</tr>
<tr>
<td>Q.7 Business coaching measurement</td>
<td>How did you measure the effectiveness of business coaching?</td>
<td>How did you measure the effectiveness of business coaching?</td>
</tr>
<tr>
<td>Q.8 Other business coaching experiences</td>
<td>Is there anything else you would like to tell me about your experience as a business coach?</td>
<td>Is there anything else you would like to tell me about your experience with a business coach?</td>
</tr>
</tbody>
</table>

Interview material was transcribed and, owing to the small number of participants, was examined manually to identify common themes (Charmaz, 2000). Questions asked of business coaches and entrepreneurs were compared for similar or different themes, the findings of which are presented and discussed in the next section.
Findings and Discussion

The aim of Study 1 was to seek the views of highly experienced business coaches on the services they provide, and the entrepreneurial leaders they coach for their experiences and outcomes arising from business coaching. Prior to interviews, participants completed questionnaires to obtain basic demographic information, as well as their view about aspects of their business coaching experiences so that this could be cross-matched with interview responses. As noted earlier, during interviews, business coaches were asked three questions at the commencement to gain their understanding and interpretation of coaching and mentoring. Business coaches and entrepreneurs alike were asked eight similarly worded questions to ascertain common themes between expectations and experience. The following analysis and discussion consists of relevant quotes which are taken as excerpts from fully transcribed interview material.

Pre-Interview Questionnaire Material

The questionnaires for business coaches and entrepreneurs contained two similarly worded questions (see Appendices 4.3 & 4.4). Table 4.4 shows business coaches’ expectations and entrepreneurs’ experience with business coaching.
Table 4.4 *Business Coaches’ Expectations and Entrepreneurs’ Experience with Business Coaching*

<table>
<thead>
<tr>
<th>Question</th>
<th>Business Coach Expectations</th>
<th>Entrepreneur Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what degree did you/ your business coach play the role of: (On a 7-point scale responses of Not at All – Always)</td>
<td>• Sounding board • Critical friend • Listener • Network facilitator</td>
<td>• Sounding board • Critical friend • Listener • Counsellor • Mentor - expert knowledge</td>
</tr>
<tr>
<td>The main reason you were engaged/engaged a business coach was: (Respondents to make one choice between 9 items)</td>
<td>• Increase performance • Grow the business</td>
<td>• Expand their thinking • Develop their potential</td>
</tr>
</tbody>
</table>

As shown in Table 4.4, the role expectations and experience of business coaching sessions were consistent for sounding board, critical friend, and listener, but differed between business coaches and entrepreneurs on other roles. The expectation of why business coaches were engaged, to focus on business performance, and growth, was dissimilar with entrepreneurs’ experience of expanded thinking, and development of their potential. These differences might have occurred because of the entrepreneur’s desire to change the agenda as sessions progressed (Whitmore, 1996); the needs of entrepreneurs emerged over time and business coaches were flexible enough to accommodate any changes (Clutterbuck & Megginson, 1999); or by focussing on strengths and developing the potential of the entrepreneur, this might have been seen by business coaches to indirectly aid increased firm performance and growth (Kets de Vries & Korotov, 2007b; Sztucinski 2001).

In addition, entrepreneurs were asked to rate the extent to which they were satisfied with their business coaching experience on a 7-point scale ranging from *Totally Dissatisfied* to *Extremely Satisfied*. Entrepreneurs rated being *Very Satisfied* to *Extremely Satisfied* with: period/length of the sessions; cost of the sessions; relationship with their business coach; business coach style and approach; role played by the business coach; and the outcome of the business coaching. Fanasheh (2003) reported similar findings with a cohort of executives who stated that outcomes associated with business coaching were worth the investment.
Interview Findings with Business Coaches

As previously noted, a number of authors (e.g., Goldberg, 2010; Stone, 1999) point out that coaching and mentoring are often reported separately as two separate functions. However, others (e.g., Kleinberg, 2001; Kram, 1983) stated that the terms are often used interchangeably or as subsets of each other. With regard to question 1, business coaches (BCs) were asked if they had a definition of mentoring, to which they replied:

We are trying to see ourselves more as a sounding board, as a counsellor, being able to answer the hard questions. Coaching can tend to apply a bit more discipline. I think with large organisations it’s about helping people with their career paths. It’s more about what your needs are at the time (BC1).

When you work as a mentor, this is one of the differences between mentoring and coaching, you are aiming to take a holistic approach, not just of a person but within the business environment within which they operate (BC2).

From these responses, key words used by business coaches were sounding board, counsellor, helping with careers, needs, and holistic approach, which are consistent with descriptions of mentoring proposed by Kram (1988), and Clutterbuck and Megginson (1999). Equally, words such as sounding board and holistic approach have been used to describe coaches’ roles (e.g., Brock, 2006; Kets de Vries et al., 2007c; Rider, 2006). When asked the question concerning differentiation between mentoring and coaching, coaches stated:

In my mind it shouldn’t be either, no difference. You should be an enabler. Mentoring is saying this is the wrong way to do it let’s try it this way. Coaching is asking more about what is it you are trying to achieve, and what actions do you need to take and then monitoring what the actions are (BC1).

Coaching is looking at developing specific skill sets with an executive, looking at skill gaps and building those skills to fulfill a performance or requirement within the business or within its environment. Mentoring is sharing of insight, it’s almost like teaching, but it’s a sharing of insights and experiences to help other people to open their minds to a range of options and thinking, than they would otherwise have (BC2).

While BC2 said that coaching and mentoring required different skill sets, BC1 stated that coaching and mentoring should act more as an enabler rather than being differentiated by terminology. According to various authors, (e.g., Clutterbuck & Megginson, 1999; Kram,
1983), the role of expert is akin to a mentoring requirement, but equally necessary for effective business coaching (e.g., Hall et al., 1999; Leonard & Swap, 2005; Stober & Parry, 2005). In regard to the last interview question seeking whether at times business coaches did coaching when they were mentoring, business coaches responded:

*In the role we play as counsellor, if they haven’t done the actions then what’s their problem? And you say ‘are you happy with that’? And you just keep talking it through until they face it. If they have a goal they are passionate about they’ll do it, you just keep asking questions. So in that sense you are holding them to account for what they say is important. You are asking permission (BC1).*

*In small businesses for those with very limited experience, then the mentor is going to coach to a certain extent. In mentoring training, our perspective is that people learn by absorbing it themselves, through self-discovery. Even if coaching, we tend not to take the approach of ‘this is a solution’, but rather propose a range of things to try encouraging the person to integrate a choice into their own. In my corporate background, I was a terribly directive managing director and yet I enjoy taking a facilitative mentor role. A Socratic method of learning is probably my natural style. I enjoy watching how people respond (BC2).*

While BC1 did not specifically answer the question regarding whether at times business coaches did coaching when they were mentoring, he instead referred to the role as one of counsellor. As noted by Garvey (2004), the term counselling in business indicates support and advice. However, BC2 differentiated between coaching and mentoring as instruments to be used according to the firms’ stage of growth, which in turn dictated the selection and use of coaching and mentoring as methodologies. Interestingly, both BC1 and BC2 spoke of using questioning as a tool to arrive at solutions and work with entrepreneurs to achieve their goals. Questioning is said to be an effective tool and one which is advocated as a coaching intervention (Kilburg, 2000), more so than within mentoring arrangements. Techniques such as direct questioning, together with observation and objective feedback, are likely to assist entrepreneurs with their thinking process by encouraging them to gain understanding and insight into developing solutions through their own learning experience, thus enabling them to take responsibility for their own actions and outcomes (Buchen, 2001; O’Neill, 2000; Zeus & Skiffington, 2002).
From these three responses, interview material can be summarised in the words of both interviewees who stated that coaching and mentoring were interchangeable according to the situation and the needs of entrepreneurs. Taken together, the interpretations of coaching and mentoring are in line with Clegg et al.’s. (2003) definition, whereby business coaching is a collaborative relationship within which coaches bring business experience and focus primarily on firm performance, business goals, and individuals’ contributions to that end. Business coaching is further explored in the themes arising in the next section, when the present researcher asked questions of a similar nature to business coaches and entrepreneurs.

**Business Coaches and Entrepreneurs’ Interview Material**

The question specifically addressed during this stage of the research centres on: *How does business coaching contribute to entrepreneurs’ performance and firm growth?* Differences between business coaches (BC), and entrepreneurs establishing and maintaining a lifestyle business (EL1) versus those that aspire to fast-growth (EF2), are examined.

**Q.1 Business Coaching Influence**

In response to the question directed at business coaches on what influence business coaching had on the growth of the entrepreneur, BC1 spoke of benchmarking.

*When I am coaching or mentoring the first thing that people want to know is “is this normal, am I going down the right track?” or “what am I missing, what should I be doing differently?” The second thing I thought about is the most value I can be to the CEO is to help them to understand what their role is (BC1).*

BC1 said he was particularly pleased when entrepreneurs realised they can control their own situation. He further explained that he had to often point out to entrepreneurs the difference between being a leader instead of a manager, and lamented that:

*Some of them are still activity junkies where they almost think if they are not working 60 hrs a week they are not valuable (BC1).*

BC2 highlighted the differences between fast-growth entrepreneurs and other entrepreneurial roles:

*I had a number of people who were in the ‘rocket’ category. The businesses grew very rapidly and they leveraged me as business coach to help them grow the business,
deal with issues, and manage that growth. Sometimes I feel like a career counsellor instead of a business coach. There were others we call artists or ‘lifestylers’ - people who have got to a point, e.g., a professional services business, or everyday trading business, maybe one or a couple of million dollars, and they were working really hard and felt they deserved a better end result so tended not to focus on the growth, so did not grow rapidly (BC2).

BC2’s explanation of rockets was similar to the ‘gazelles’ termed by Lesonsky (2007), and artists as ‘lifestylers’ is in line with Hay and Kamshad’s (1994) interpretation of entrepreneurs preferring a slower growth-rate firm. As maintained by Birch (1997), fast-growth is achieved by few firms. BC2 then focussed on the impact business coaching made to business growth:

The entrepreneur’s business was about to die, the industry was contracting. He had to make some major strategic choices. He was a professional who did his job very well and had a very good business but the market and industry which he as serving were not going anywhere. He is very open to it and he is used to working with someone in the capacity of business coach - had he not had a business coach he would not have experienced the growth. Strategically he had to deal with some very big questions and didn’t have the combination of experience and skills to deal with those questions (BC2).

BC2’s example highlights the issues entrepreneurs have when they grow too fast and enter into stages of growth for which they are unprepared or have very little experience (Gerber, 1995; Greiner, 1998; Moreno & Casillas, 2007).

Entrepreneurs were asked to what degree business coaching had contributed to their growth and in contrast to the business focus by EL1, EF2 emphasised a personal view of growth:

More growth in terms of our professionalism. Where you are being constantly pushed and prodded or asked the difficult questions that only an outsider can ask, it makes you really think about the business itself. What I found very helpful was just in moving myself from the day-to-day and really thinking about some of the bigger issues (EL1).
When I look back, it really set the clock as far as my development was concerned with how I wanted to be supported (EF2).

In essence, the influence business coaching has on entrepreneurs is interpreted in a similar manner by business coaches and the lifestyle entrepreneur (EL1), where the concentration of business coaching is on the growth of the firm. In deference, the fast-growth entrepreneur (EF2) pointed to aspects of personal development and support being beneficial which corroborates the view of Kets de Vries and Korotov (2007b) that coaches support entrepreneurs developmentally, thus enabling them to work with their strengths and build self-confidence to face operational and environmental issues. In addition, Hamm (2002) postulated that entrepreneurs who are able to confront shortcomings, accept feedback, and are open to learning, are more likely to successfully scale-up operations to achieve firm growth.

Q.2 Influence of a Training Programme

Business coaches were asked what influence the training programme had on the business growth of the entrepreneurs. BC1 responded:

The beauty of what we do is they have got effectively 15 other coaches if you like within the group. The real strength of what we do is in that group of trusted peers who they learn from and who support them. CEOs are just like children, they are exactly the same. They take more notice of each other, particularly those who they respect and trust, than anyone else. So in effect, they are kind of being coached by each another, and the openness that develops over time within the group makes it all the more meaningful (BC1).

This response from BC1 is in accord with Cooper and Quick (2003), whereby peers from non-competing firms can benefit from interacting and learning from one another within a group environment. BC2 emphasised entrepreneurs’ motivation and stage of growth:

The rockets are absolutely focused on growth. They felt that they didn't have the breadth of skills to do so, and those businesses grew at an enormous rate. The lifestylers tend not to focus on the growth, but rather on the lifestyle a particular kind of business could give them, so the use of the business coach was very different. (BC2).
From BC2’s perspective, it would seem the training group created a safe environment in which to explore hurdles to firm growth. The hands-on approach of lifestyle entrepreneurs is similar to the findings of Sexton et al. (1997), where business founders struggled with the complexities of growth unless they had some sort of support to assist with the transition. Entrepreneurs were asked what influence the training programme had on their business growth and EL1 replied:

“We have got a one-page business plan that has gone through a few cycles and we certainly wouldn't have had that if I didn't have the discipline of the group, and I suppose it's a bit of the commitment to the others as well. It does provide that commitment that others force on you. The other important factor has been being able to talk about the basic structure of the business in terms of people or the types of people and the types of roles. When there are people issues I can go home and talk about it and it's helpful, but from a professional point of view having an outsider coming in and being able to talk about some of those things is very valuable (EL1).”

A number of authors (e.g., Gumpert & Boyd, 1984; Cooper & Quick, 2003) have identified the loneliness that occurs for leaders when they do not have others with whom to share their experiences or talk about their issues. Kets de Vries et al. (2007c) highlighted the dangers of operating in isolation and the possibility that staff will only tell the leader what they think they want to hear. In addition, EL1 makes mention of writing a business plan which, according to Upton et al. (2000), few entrepreneurs bother to develop. By way of contrast, EF2 responded:

“I've certainly gained an insight into the challenges that people face in a broad range of businesses. As opposed to learning by experience, the training is one of the few areas where you can learn by knowledge, and learn by other people’s experiences. Because you are so intimate with the companies, and because you're so intimate with the details of the problems, you become intimate with it because of the way the training gets you to present your issues and problems. I found that extremely useful. It allowed me to make decisions that I didn't really have any basis for in the first place (EF2).”

Collectively, the reaction of business coaches and lifestyle and fast-growth entrepreneurs, about whether training programmes contributed to firm growth, is consistent
and positive. Bennis and O’Toole (2005) pointed out that learning for entrepreneurs occurred when provided by practising professionals in non-academic programmes. The training programme allowed entrepreneurs to disengage, for a period, from the competitive pressures of running a business to embark on a journey of self-discovery, reflection and accountability (Clutterbuck & Megginson, 1999).

Q.3 Firm Growth and Business Coaching without Training

Another question centred on whether firm growth would have occurred as much if entrepreneurs had engaged in business coaching only and had not attended training sessions. BC1 responded:

It’s business leaders and owners learning to get some balance into their lives - they learn and develop. I heard a saying the other day “the longer you are working in the business the more value you create”. In a sense that’s correct because the longer you work in it the more it can’t do without you, the sort of organisation that you are carrying forward. As a leader you need to find the right people to fit into the right moulds and from those you can leverage yourself into the role you want to have (BC1).

This response from BC1 highlights the need for entrepreneurs to have processes and procedures in their business, allowing them to focus on strategic imperatives and delegate responsibility to others (Deakins et al., 1988; Gerber, 2005; Sperry, 1994). BC2 replied:

The rocket people are already driven. Who the people were, was more the issue than who the business coach was. They either draw from my experience, or a range of other people's experiences. There is no judgment as to the skill level that a person brings to the table (BC2).

As identified by St-Jean et al. (2005), BC2’s answer indicated that motivation was the most vital ingredient to firm growth rather than the mode of support received by the entrepreneur. Entrepreneurs’ responses differed from those of business coaches. While EL1 seemed to prefer one-on-one business coaching, EF2 spoke very favourably of the training component. Both entrepreneurs, while valuing the training component (Gibb, 1997), highlight a preference, as postulated by Cooper and Quick (2003), for the personal nature of business coaching as opposed to learning in a group environment.
I don't think they overlap. Because you have 12 or 13 different people from different industries you get different ideas, input, and straight out fact of what they're doing in the business to help you along. So that is extremely valuable. The benefit is the one-on-one situation. He is more like a friend in a way, rather than the group. He doesn't really come up with answers, like when you go to the group you get 12 answers to things (EL1).

I suppose the business coaches established some ground rules, and some knowledge that was going to help me growth through my life and through my business. I think the training has really opened my eyes to a lot of critical issues that a business coach may not be able to cover with the breadth of experience. And it has opened up a whole lot more experiences, a range of different people. While the training doesn’t give some of the personal development to a person, it does give you a broader range of experience or business issues and a range of business experiences. What I do know is that really helps you (EF2).

Responses to the question of whether firm growth would have occurred as much if entrepreneurs had business coaching without the training programme, differed. Business coaches appeared to answer the question equivocally, which might be understandable because they provided the one-on-one coaching as well as the training. Whereas, the lifestyle entrepreneur emphasised the one-on-one business coaching, the fast growth entrepreneur seemed also to benefit from the different aspects of business coaching and training. Overall, business coaching appears to help leaders learn progressively when the environment is collaborative and supportive (Witherspoon & White, 1997).

**Q.4 Business Coaching Tools and Models**

In relation to tools and models, business coaches were asked what they used in business coaching. While BC1’s response was very short, BC2 provided more explanation:

*My job is to support them (BC1).*

*I use the programme practices. It is quite a structured approach with contracts for the one-on-one process. For the facilitation process there is a formal methodology gathered together from various approaches and distilled to a range of practices. I have had exposure to many different approaches, so it is bringing all the writing and*
observations together and saying “here is a model of different people’s approaches” and then see how others can draw from that to be something that will work for them (BC2).

This flexible approach to entrepreneurs’ needs, as stated by BC2, is in line with Witherspoon and White (1997) who asserted that responding to leaders’ changing agenda is sometimes necessary for effective coaching. When entrepreneurs were asked what tools and models their business coach used, EL1 noted:

With a 360-degree that was internet-based, and it was something that I gave to my direct reports, 6 people, and they just basically answered the questions, and that was all collected back to give their assessment of me, and that was compared against my assessment of myself. Everyone from the training group and all their people did the same thing on each other so we were able to calibrate so that you did get a bigger field to look at. What I found was helpful was the assessment given by my group in relation to the assessment given by others and where I sat. There is goal assessment, where once a year we present our personal and business goals to each other. I find it very useful, with the individual contact with the business coach and the group contact with everyone else. And also the guest speaker gives an opportunity to educate yourself. You always get one or two good ideas, and just the blend of it is quite good (EL1).

EL1 identified two different tools/models which are commonly used in business coaching. A 360-degree multi-source feedback instrument compares perceptions to that self and others internal and external to the firm, for example by examining leadership style, communication effectiveness, and collaborative effort (Kets de Vries et al., 2007a). Goal assessment in a peer-environment is used to motivate and calibrate entrepreneurs’ efforts to adjust to market forces and customer expectations (St-Jean et al., 2005; Whitmore, 1996). Also mentioned by EL1 was the value of guest speakers. As Sexton et al. (1997) espoused, experienced leaders with practical experience in running firms are valued and looked upon as role models by up-and-coming entrepreneurs. Goal-assessment also featured in the response of EF2:

Writing down a series of goals at a regular time each year, and then assessing those goals 12 months later, and then reassessing them for what is going to be your next
range of long and short-term goals. And certainly since I joined the programme we have been a lot more proactive from a business sense in setting goals, you know, budgets and growth opportunities in certain sectors (EF2).

In summary, the response to what tools and models were used during business coaching, was answered generally by business coaches who did not highlight any particular approach. The lifestyle entrepreneur (EL1), who appeared to embrace a collaborative leadership style, was more expansive by outlining two methods, including instruments such as the 360-degree feedback which can be particularly useful for task-focussed leaders (Ludeman & Erlandson, 2004). The fast-growth and lifestyle entrepreneurs were in concert by nominating goal-assessment as one of the tools used, a method commonly employed by coaches (Whitmore, 1996). Setting tangible, realistic goals with milestones provides entrepreneurs with a way to assess short- and long-term outcomes (Whitmore, 1996).

Q.5 Focus of Business Coaching Sessions

In response to which part of the model of co-dependent functions of firms (Figure 4.1) business coaches focussed on, BC1’s predominant focus was on context, processes, and people:

Without doubt I would say ‘people’. The thing that members struggle with the most is moving people on who are unsuitable for their role or have reached their limit. It’s often the most painful process and the one you put off. If you hold them responsible for what is happening they make it happen. You never talk about the technical aspects of a business or how to make a product. They never talk about the technical aspects, it’s always about the people issues of the business; it’s as simple as that. The second thing is developing a clear picture of the business and how you should be going about getting there. I have been saying you really only need four or five key processes and need to be monitoring them across the organisation. It is a much more effective way of measuring your business and it’s a much more productive way of getting across the organisation and until they do that they are really going to get anywhere (BC1).

For BC2 the focus during coaching sessions, on the context, stakeholders, processes and people, is important. BC2 noted differences between entrepreneur orientation with
‘rockets’ emphasising strategy and growth and that ‘lifestylers’ were more aligned with people needs.

In the rocket ships there tends to be a lot of focus on what I call the context, in terms of "am I doing the right thing to achieve growth". It is around context and external customers. We did a measure then built a whole lot of series of strategies around it. We don’t stay in the one area. I guess in a sense it is filling the gaps for him on issues and getting him focused on context factors, strategies, financial issues. It is the context within which people focus even though the business is so heavily geared around production and processes. The stakeholder process and the issues are discussed more so than operational types of issues. For my lifestylers, the focus tends to be on the people. You are talking about the culture, and ‘have I got the right people to support me’, and from breaking the nexus of working on the business, not in the business. We would discuss the strategies and often talk about the people needed to the make the strategies work (BC2).

Entrepreneurs were asked the same question regarding the area of focus during the business coaching sessions and shown the model of co-dependent functions of firms. EL1’s response was very clear that two areas were the most important, and EF2 spoke of business coaching sessions having a different focus according to his firm’s stage of growth:

The people aspect and the context. The issues that I raise may become about because of something to do with the customer or something because of the production or the process, but it invariably shifts into the context area. Probably the context area, if I had to even pick between context and people, the context area has the most focus (EL1).

I think in the early days, time was being spent at working out what was of value to the customer, what were the processes, what were the services that could be delivered through a customer, yes well I suppose, more around the production area. Having processes, a vision statement, goals, there’s no point unless you’ve got a product the customer wants to buy. So I really think the emphasis is on discussing what customers want, and what customers need (EF2).

While the emphasis during business coaching sessions is on context and people, participants drew attention to differences between fast-growth and lifestyle propensity
according to firm stage of growth. Firm life-cycle stage and growth is tempered by a number of factors including product readiness, customer and market forces, and available funding (Churchill & Lewis, 1983). Moreover, managerial capabilities and effective leadership, combined with a flexible approach and an ability to delegate, are essential ingredients to aid in the growth and sustainability of firms (Chan et al., 2006; Gerber, 1995). Overall, participant responses supported the views of Leonard and Swap (2005), by pointing to the need for business coaches to be fully across all the nuances and situations which might occur within firms at any given time.

Q.6 Entrepreneur Drivers

Business coaches were asked what it was that drives the entrepreneur, to which they replied:

*He came to the realisation some years ago that he could take a day off. He felt guilty about it at first but he overcame that thinking and now, he has a young family and he wanted to be around and his wife is fairly busy. He realised he could do just as well in four days what he does in five so he just organises his time around it (BC1).*

*They want to learn and you automatically know that you are dealing with people who are achievers, good quality, decent human beings and they have all made a difference in the world around them and they are asking you to help them and therefore that is the respect that you give them (BC2).*

Key words and themes from business coaches’ replies were on time management; family; learning; and making a difference. The same question about what drives them was asked of entrepreneurs, with EL1 saying:

*Well, I like things just to be pretty steady and not too complicated. What drives me is that I have a family life outside work, and I really like what we're doing here, with the company, and obviously we all need an income out of it, but what really drives me is the fact, I like the notion that we can all have an outside life. So what drives me is being able to find that blend of not driving ourselves into the ground, doing things properly, but comfortably. If you can really get the right people working for you, then you should do what you can to make their life and the work life fit well together (EL1).*
I really don't have a handle on that. I really enjoyed seeing, putting plans in place, and seeing opportunities and seeing something develop. I suppose I have always been a builder of things and I suppose the business is an extension of that. And doing the business has been a driver. So it’s always been interesting to see where I can apply technology into different businesses and business models. So I suppose the drivers come from looking at different uses of the technology, also being considered a leader in the marketplace and also just a general passion about building things (EF2).

The incentives that motivated EL1 were: family; get the right people; and making life and work fit together; whereas, EF2 was motivated by: putting plans in place; seeing opportunities; using different technologies; and being considered a leader.

In summary, BC1 and the lifestyle entrepreneur share similar responses focusing on life balance and fostering relationships. Cooper and Quick (2003) emphasised the need for entrepreneurs to achieve balance in their lives to allay feelings of anxiety and stress which can eventuate in response to loneliness of leadership positions, and can culminate in health problems if not addressed proactively. BC2 and EF2 related learning as the driver of entrepreneurs. This propensity for new and challenging learning is quite often a reason entrepreneurs make the choice to take on risk and create new ventures, thus serving their desire for independence and lust for innovative endeavours (Carter et al., 2003).

Q.7 Measurement of Business Coaching Effectiveness

Business coaches were asked how they measure the effectiveness of business coaching. BC1 stated:

Often you will go through a session to sort through a big issue for them, you’ve really helped clear the way, and perhaps had some input into it yourself, and in about six months they tell the group about this idea that they had all by themselves. I’d like to be included here, but I think that’s a bit of an ego trip for myself. You look at the changes within the business that has produced a better financial result. I think they are the easier things to measure, just getting them to focus on being profitable rather than just growing (BC1).
BC1’s way of measuring business coaching was not clear-cut and seemed to rely on retrospective evaluation. Similarly, BC2’s response was equally ambiguous and did not articulate a definite method of evaluating business coaching effectiveness:

"It is the person wanting to continue the relationship. That is absolutely number one. Someone is paying money to have their processes opened up. It is a major value proposition. All of these people feel that it is something that they value and it’s an important measure – not that the business goes in this direction or that direction. The artists don’t really want their business to grow, they just want nirvana. With the rocket ships it’s controlling the growth and if anything I am stopping their growth and some of these guys they will go out there and take over the world. They look at me as almost slowing down the rocket ship and making sure the processes are in place so the rocket doesn’t go up and come straight back down. I always look at the internal measure as the strength of the relationship (BC2)."

BC2 highlighted the importance of relationships between the business coach and the entrepreneur. The trust fostered within the confidential nature of a relationship, in addition to understanding the expectations of the engagement and ensuring requirements are met, is paramount to achieving coaching session satisfaction (Kilburg, 2000; Megginson et al., 2006).

Entrepreneurs were also asked how they measured the effectiveness of business coaching and responded in a similar manner:

"Gut feel. It’s not a statistic. I might look back through some of the issues that have been raised and think well, do I feel that I have progressed, and have I answered the questions that I had, and has the business further developed, or have I done what I wanted to do. So there is not a tangible thing, other than that. Yes, they are slightly soft. But just getting the business organised is one measure, and it might not be from meeting to meeting, but it’s from year-to-year, where I think well I’m really happy with the development that’s gone into the plan. So the assessment just comes down to thinking back, well what were the issues that I might have that I might have raised or the big changes that I can see, the way I’m working or the way I am doing things, and how much of that do I attribute to the business coaching (EL1)."
Key themes brought up by EL1 were on: gut feel; getting the business organised; and getting issues resolved. Themes were similar in some respects to EF2’s response of: gut feel; getting assumptions challenged; being perceived positively by other people; and having the right systems in place.

It’s more a gut feel. It is more about am I continuing to get value out of the time that I spend with them? He is always asking a range of questions, and challenging assumptions from a range of perspectives. I will often relate a situation to him, and he will draw down on the issue that I have, and then he will drill down on his broad range of experience. He really focuses on getting procedures down pat, having systems in place. He tends to focus on looking at how I do and what I do will be perceived by other people, the organisation. So I suppose am getting a good balance of making sure I have got the right systems in place, the business to drive it, making sure I’m making the right assumptions and asking the right questions. The benefit I get is greater than the cost (EF2).

As a whole, there did not seem to be any specific or objective way that business coaches and entrepreneurs measure the outcomes of business coaching. Measurement appears to be reflective of what had occurred during the process of business coaching. There was no mention of outcome measures and targets being set at the beginning of an engagement. Perhaps this ‘gut feel’ assessment is enough to satisfy entrepreneurs, the observation of which is in line with Laske’s (2004) contention that results stem from the process of coaching whereby entrepreneurs’ mental-emotional growth has been supported.

**Q.8 Other Business Coaching Experiences**

With respect to other issues that were experienced by business coaches, BC1 highlighted:

*I think it’s just a vital part of passing down the knowledge, helping people. You’re not going to stop them making their mistakes. That’s the worst thing you could do. It’s probably about helping them to minimise their mistakes, and also helping them to learn from them, and learning for the future. I think it’s also about giving people confidence to move forward. It is non-judgmental (BC1).*
BC1 noted some key themes relating to helping people learn from their own mistakes and being non-judgemental. As proposed by Clutterbuck and Megginson (1999), Cooper and Quick (2003), and Whitmore (1996), these themes echoed the notion of business coaches as confidantes, listening to entrepreneurs’ concerns, and conveying understanding and empathy in a non-judgmental manner. In contrast, BC2 focussed on his own experiences and the benefits associated with being a business coach:

*It's wonderful being a business coach, a privileged position that you can have, where people are inviting you into their lives. I'm driven by the notion that I like intellectual challenge and I want to be in a position where I can always be stimulated and get paid for it. I can't think of a better environment (BC2).*

In terms of entrepreneurs’ experiences with a business coach, EL1 answered in a different manner with emphasis on the learning he is able to impart to others in his firm; the value he received from the training and business coaching programme; and the new standard of professionalism experienced by the firm as a result of the programme he attended.

*I have shared a lot of the information with staff here, as a result of something that I have learnt. I might bring the idea back here, and try and explain it in the best possible way. I think the overriding comment that I feel I have about business coaching is that it really does make you stop and think about what it is you are doing, and otherwise, you just don't do that, because you're too busy doing things. And I'm thinking you really need the process, you need someone, it really stands out, and I think the people who have got it and who are involved in some sort with the programme just get that much value from it. I think we have just become that much more professional. We are not just as ad-hoc as we used to be (EL1).*

*I suppose the one thing that I would really like to impart is that for me, it wasn't made as clearly as it would have been in my earlier days, what business coaching was all about. And it is that business coaches are a very important part of the person’s development and that part of that development should be understanding the process. And it certainly would have made me think a little more about the things I did and the things that I asked. I think it's important to do that, because you want your business coach to be a little more objective. If you get too friendly, or if there is a real*
friendship, it may be difficult to take criticism, and it may be difficult to give criticism (EF2).

Replying in a different manner, EF2’s response is reflective of the benefits and process of business coaching, and indicated the need, as emphasised by Brotman et al. (1998), for business coaches to stay objective.

**Summary and Limitations**

The aim of Study 1 was to obtain the views of experienced business coaches on the services they provide, and the entrepreneurial leaders they coach. The question addressed during this stage was: *How does business coaching contribute to entrepreneurs’ performance and firm growth?* Data emanating from this stage helps to determine the basis for further research to be conducted on business coaching in Study 2.

As stated earlier, the term business coaching can be regarded as a combination of coaching and mentoring, and follows Clegg et al.’s. (2003) definition of business coaching as a collaborative relationship within which coaches bring business experience and focus primarily on firm performance, business goals, and individuals’ contributions. Study 1 invited participants to provide a definition of mentoring, and explored differences between mentoring and coaching. As indicated by participant responses, the terms coaching and mentoring are utilised interchangeably according to the situation and the needs of entrepreneurs, thus supporting Clegg et al.’s. (2003) interpretation of business coaching.

Pre-interview questions asked of business coaches and entrepreneurs alike, centred on the main reason for engaging business coaches, and the role played by business coaches. Role expectations and experience of business coaching sessions were consistent for sounding board, critical friend, and listener. Perhaps surprisingly, reasons for the engagement differed with entrepreneurs’ experience of business coaching being to expand their thinking and develop their potential (Clutterbuck & Megginson, 1999; Kets de Vries & Korotov, 2007b; Sztucinski 2001), whereas business coaches’ expectation was to increase performance and grow the business. As expected (Fanasheh, 2003), entrepreneurs rated a number of aspects of their coaching experience (e.g., period/length, cost, outcome of sessions; style/approach, role played and relationship with business coach), as very to extremely satisfying.
Business coaches and entrepreneurs were asked semi-structured questions, with differences noted between entrepreneurs establishing and maintaining lifestyle businesses versus fast-growth businesses. Table 4.5 shows a summary of key responses to each of the eight business coaching themes of: business coaching influence; training programme influence; firm growth and business coaching without training; tools and models used by business coaches; focus during business coaching sessions; entrepreneur drivers; business coaching measurement; and other business coaching experiences.

Table 4.5 Summary of Business Coaches and Entrepreneurs’ Responses to Business Coaching Themes

<table>
<thead>
<tr>
<th>Theme</th>
<th>Business Coaches</th>
<th>Entrepreneurs</th>
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<tbody>
<tr>
<td>Q.1 Business coaching influence</td>
<td>BC1: benchmarking; role clarity BC2: entrepreneur/firm difference</td>
<td>EL1: professionalism; strategy EF2: personal development</td>
</tr>
<tr>
<td>Q.2 Training programme influence</td>
<td>BC1: peer support BC2: increase in skill</td>
<td>EL1: planning; accountability EF2: insight into others</td>
</tr>
<tr>
<td>Q.3 Firm growth and business coaching without training</td>
<td>BC1: life balance BC2: motivation</td>
<td>EL1: promotes own leaning EF2: establishes ground rules</td>
</tr>
<tr>
<td>Q.4 Tools and models used by business coaches</td>
<td>BC1: uses programme practices BC2: responds to changing agenda</td>
<td>EL1: 360-degree, goal assessment EF2: goal assessment</td>
</tr>
<tr>
<td>Q.5 Focus during business coaching sessions</td>
<td>BC1: context, processes, people BC2: context, processes, people, stakeholders</td>
<td>EL1: context, people EF2: context, processes, production, stakeholders</td>
</tr>
<tr>
<td>Q.6 Entrepreneur drivers</td>
<td>BC1: time management; family BC2: learning; making a difference</td>
<td>EL1: family; employing the right people; life/work balance EF2: planning; seizing opportunities; technology; leadership recognition</td>
</tr>
<tr>
<td>Q.7 Business coaching measurement</td>
<td>BC1: insight; helping people; BC2: value; business coach/entrepreneur relationship</td>
<td>EL1: gut feel; systems; hindsight EF2: gut feel; value; systems</td>
</tr>
<tr>
<td>Q.8 Other business coaching experiences</td>
<td>BC1: passing on knowledge, helping people’s confidence BC2: privilege of coaching</td>
<td>EL1: passing on learning; benefits of business coaching EF2: clarity of business coaching role; remaining objective</td>
</tr>
</tbody>
</table>

Table 4.5 shows the varied responses between the expectation of business coaches and the experiences of entrepreneurs. However, business coaches and entrepreneurs appear to share similar views on the focus of business coaching sessions including context (which
included firm vision, goals and strategy), processes, and people. Business coaches and entrepreneurs shared a number of equivalent perspectives on entrepreneurial drivers, business coaching experience, and business coaching measurement. Lifestyle and fast-growth entrepreneur’s views are alike in regard to tools and models used by business coaches, focus of sessions, and measurement of business coaching but differ in other areas. Lifestyle entrepreneurs seem to show a propensity of focus towards people compared to fast-growth entrepreneurs who leaned towards being task orientated.

Overall, responses by business coaches and entrepreneurs emphasised the personal relationships that were developed and nurtured throughout the sessions. A number of authors (Witherspoon & White, 1999; Kilburg, 2000) hold that relationships are one of the most important aspects of the coaching process. For example, Passmore (2007) noted that coaching encompasses a number of methods from psychological theory including the humanistic movement for developing the coach/client partnerships. Further, Garrett-Harris (2006) advocated structuring business coaching to link to business issues, management needs or culture change as a basis for effective relationship development, ultimately leading to change and growth.

Limitations to Study 1 include the small number of participants, the lack of a comparative control group, and the present investigator’s interpretation of the interview material. The use of only two business coaches and two entrepreneurs means that the current results cannot be generalised across populations (Kazdin, 1980). However, the research design of this study was based initially on grounded theory (Charmaz, 2000), followed by interpretative methods (Guba & Lincoln, 1994) intended to develop a methodology for the subsequent Study 2. Clearly, an essential recommendation from Study 1 is to employ a larger sample; utilise a comparative group to examine possible differences between business coaching versus no business coaching experiences; and apply objective and robust measures in order to reduce possible researcher bias and interpretation of data.

In conclusion, the importance of the role of business coaches was emphasised by the present entrepreneurs who seemed to indicate that performance and growth occurred through their learning and insight gained from the trusted relationship that was forged with their business coaches, which, according to Kilburg (2000) underpins business coaching satisfaction. Outcome measurement of business coaching might be engendered in the form
of behavioural development or measureable results (Laske, 2004), and as articulated by the
entrepreneurs, outcomes were based on a combination of gut feel and retrospectively
evaluating their firm growth. Having a structured programme pointed to benefits in terms of
peer interaction and observation. Implications from Study 1 are important for providing a
solid basis upon which to conduct further research and the next study.

The aim, research design, methodology, findings, and discussion relating to Study 2
follows.
CHAPTER 5: STUDY 2

ENTREPRENEURIAL OUTCOMES ASSOCIATED WITH PARTICIPANTS IN A STRUCTURED BUSINESS COACHING PROGRAMME

Overview

Chapter 5 reports on the findings of Study 2, a pilot study involving business coaches and entrepreneurial leaders utilising quantitative research methods (Table 5.1). Study 2 compares participants undertaking a structured training and business coaching programme for experiences of previous business coaching versus no previous business coaching. The research design and methodology is presented, including a description of participants, measures, data collection and procedures. Variables and findings are discussed. The present chapter concludes with a summary, limitations, and recommendations for Study 3.

Table 5.1 Design of Study 2: Entrepreneurial Outcomes Associated with Participants in a Structured Business Coaching Programme

<table>
<thead>
<tr>
<th>Aim</th>
<th>Research Question</th>
<th>Method</th>
<th>Cohort</th>
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<tbody>
<tr>
<td>To establish outcome measures for business coaching</td>
<td>What difference, if any, does a structured business coaching programme make to entrepreneurs’ perceptions?</td>
<td>Pre-post pilot outcome study of SME entrepreneurs undertaking group training with one-on-one business coaching</td>
<td>Previous business coaching (n=45) versus No previous business coaching (n=80)</td>
</tr>
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</table>

Building on the issues and concepts raised in Study 1, the principal aim of Study 2 is to establish measures of business coaching. Utilising a comparison group in a structured environment, pre- and post-test assessment of participants was undertaken to establish entrepreneur perceptions of business coaching. A quantitative approach evaluates the inter-relationships of firm demographics, entrepreneur characteristics, and ratings of satisfaction with business coaching experiences, following participation in a structured business coaching programme. Multivariate statistical techniques are used to compare two cohorts: entrepreneurs who have received business coaching previously versus entrepreneurs with no prior business coaching experience. The overarching research question addressed during this study is: What difference, if any, does a structured programme make to entrepreneurs’ perceptions of business coaching?
Testable Research Questions

A further six research questions (RQ) are addressed to assess the perceptions of entrepreneurs regarding the role of business coaches, the main focus of business coaching sessions, and entrepreneurs’ level of satisfaction with business coaching.

Business coaches’ role:

RQ₁ Do entrepreneurs who have received business coaching previously, rate business coaches’ role significantly higher at post-test (versus pre-test), following a structured business coaching programme?

RQ₂ Following a structured business coaching programme do entrepreneurs who have not received business coaching previously, rate business coaches’ role significantly higher than entrepreneurs who had previously received business coaching?

Business coaching session focus:

RQ₃ Do entrepreneurs who have received business coaching previously, rate the focus of business coaching sessions significantly higher at post-test (versus pre-test), following a structured business coaching programme?

RQ₄ Following a structured business coaching programme do entrepreneurs who have not received business coaching previously rate the focus of the business coaching session significantly higher than entrepreneurs who had previously received business coaching?

Business coaching satisfaction:

RQ₅ Do entrepreneurs who have received business coaching previously, rate their satisfaction with business coaching significantly higher at post-test (versus pre-test), following a structured business coaching programme?

RQ₆ Following a structured business coaching programme do entrepreneurs who have not received business coaching previously, rate their satisfaction with business coaching significantly higher than entrepreneurs who had previously received business coaching?
**Research Design**

Study 2 utilises a positivist, deductive research design to analyse statistically and predict events (Cavana et al, 2001). Beginning with a theory, pre- and post-test measurement of entrepreneur’ perceptions are collected to either support or refute questions posed (Creswell, 2003). To address internal validity, questionnaire items are labeled clearly with examples to ensure there is no ambiguity in participants’ response to the terms (Podsakoff et al., 2003). As cautioned by Podsakoff et al. (2003) common method bias is likely to occur at item level rather than at construct level. Thus, questionnaire order is counterbalanced (e.g., scales) and interspersed with other questions requiring different responses (e.g., normal). In addition, scale anchors are intermixed (e.g., extremely, totally, always) to prevent artificial covariation.

In terms of statistical procedures, data are analysed using descriptive, univariate, and multivariate statistical techniques to compare firm and entrepreneur characteristics and differences between participants having previous business coaching versus no previous business coaching experience. One-way repeated measures Hotelling’s Trace tests (Tabachnick & Fidell, 2007) examine whether participants’ perceptions differed between pre- and post-test on: roles played by business coaches; the main focus of business coaching sessions; and the extent of entrepreneurs’ satisfaction with business coaching. In addition, tests for violation of assumptions are carried out (e.g., Mauchly’s test of sphericity). Post-hoc t-tests examine item differences across cohorts and Pearson’s correlation coefficient $r$ assesses the effect size of the relationship (Field, 2005). MANOVA (Hotelling’s Trace) is used to ensure familywise error rate is not inflated (Field, 2005), and tests samples of previous business coaching versus no previous business coaching post-test.

**Method**

**Participants**

Participants are 125 entrepreneurs from start-up firms who enrolled in a part-government funded programme. The structured workshop style programme offers group training, with concurrent one-on-one business coaching, covering topics on firm commercialisation, market entry, and global growth. Each workshop runs for five weeks and consists of one half-day of training each week and 1.5 hours of business coaching per week.
Entrepreneurs are expected to have a business concept and be the founder of their firm in order to work on furthering their own product or service throughout the programme. Of the participants, 36.0% \((n=45)\) had secured the services of a business coach previously, and 64.0% \((n=80)\) had not used a business coach. Table 5.2 shows the industry sectors of entrepreneurs’ firms. Firms are categorised according to Australian and New Zealand Industrial Classification (ANZSIC) industry sectors (ABS, 1983).

Table 5.2 *Industry Sector of Start-up Firms*

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Previous Business Coaching ((n=45))</th>
<th>No previous Business Coaching ((n=80))</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Information Technology</td>
<td>62.2%</td>
<td>82.5%</td>
</tr>
<tr>
<td>• Manufacturing</td>
<td>20.0%</td>
<td>17.5%</td>
</tr>
<tr>
<td>• Education</td>
<td>8.9%</td>
<td>-</td>
</tr>
<tr>
<td>• Retail</td>
<td>6.7%</td>
<td>-</td>
</tr>
<tr>
<td>• Wholesale</td>
<td>2.2%</td>
<td>-</td>
</tr>
</tbody>
</table>

As shown in Table 5.2, firms under both conditions are predominately represented in the Information Technology sector (previous business coaching 62.2%; no previous business coaching 82.5%). Table 5.3 shows demographics including firm age, revenue, and number of employees.

Table 5.3 *Start-up Firm Demographics*

<table>
<thead>
<tr>
<th>Firm Demographics</th>
<th>Previous Business Coaching ((n=45))</th>
<th>No previous Business Coaching ((n=80))</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Firm Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Range - years</td>
<td>1 – 20 years</td>
<td>1 – 18 years</td>
</tr>
<tr>
<td>• Mean ((Standard Deviation))</td>
<td>3.53 ((3.99))</td>
<td>4.42 ((4.44))</td>
</tr>
<tr>
<td>• Median</td>
<td>2.0</td>
<td>3.0</td>
</tr>
</tbody>
</table>

| **Revenue Turnover**            |                                      |                                        |
| • Range - revenue               | $0-$1,500,000                       | $0-$3,500,000                         |
| • Mean \((Standard Deviation)\) | $160,777.78 \((820,204.69)\)       | $386,752.15 \((737,731.47)\)         |
| • Median                        | $50,000                             | $5,000                                |

| **Number of Employees**         |                                      |                                        |
| • Range – employees             | 0 – 20 employees                    | 0–20 employees                        |
| • Mean \((SD)\)                | 3.07 \((3.91)\)                    | 4.05 \((4.88)\)                     |
| • Median                        | 2.0                                 | 2.0                                   |
As identified in Table 5.3, median firm age is similar (2-3 years), and both cohorts employ a median of two full-time equivalent staff. Firms with previous business coaching have a revenue range of $0-$1.5m with a median of $50,000, compared to those with no previous business coaching reporting a larger a revenue range of $0-$3.5m, but a lower median of $5,000. Table 5.4 shows characteristics including entrepreneur age, gender, and academic qualification.

Table 5.4 Start-up Firm Entrepreneur Characteristics of Age, Gender, and Qualifications

<table>
<thead>
<tr>
<th>Entrepreneur Characteristics</th>
<th>Previous Business Coaching (n=45)</th>
<th>No previous Business Coaching (n=80)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Under 30 years</td>
<td>35.6%</td>
<td>20.0%</td>
</tr>
<tr>
<td>• 30 – 50 years</td>
<td>51.1%</td>
<td>60.0%</td>
</tr>
<tr>
<td>• Over 50 years</td>
<td>13.3%</td>
<td>20.0%</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Male</td>
<td>84.4%</td>
<td>83.8%</td>
</tr>
<tr>
<td>• Female</td>
<td>15.6%</td>
<td>16.2%</td>
</tr>
<tr>
<td><strong>Academic qualification</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Secondary</td>
<td>6.7%</td>
<td>13.8%</td>
</tr>
<tr>
<td>• Certificate/Diploma</td>
<td>24.4%</td>
<td>15.0%</td>
</tr>
<tr>
<td>• Tertiary</td>
<td>40.0%</td>
<td>45.0%</td>
</tr>
<tr>
<td>• Post Graduate</td>
<td>28.9%</td>
<td>26.2%</td>
</tr>
</tbody>
</table>

As shown in Table 5.4, entrepreneur characteristics between previous business coaching and no previous business coaching are within a similar (30-50) age range (51.1%; 60%), are mostly male (84.4%; 83.8%), and hold tertiary or postgraduate qualifications (68.9%; 71.2%).

**Trainers and Business Coaches**

Principal trainers are experienced business people who conduct the programme using a workshop style, round table format with 8-10 people, providing an opportunity for entrepreneurs to learn interactively from peers (Gibb, 1997; Sexton et al., 1997). Training ensures that a structured coaching approach is taken with participants (Clutterbuck & Megginson, 1999). One trainer acts as case manager to ensure business coaches fulfill participants’ needs within the bounds of workshop expectations (Deakins et al., 1988).
Twenty-four business coaches were recruited according to experience and backgrounds in firm start-up/growth/exit, corporates, industry sectors, technical knowledge, off-shore and global experience, qualifications, and business coaching experience. Potential business coaches provide resumes, are interviewed and reference checked, and if selected, sign service agreement contracts covering items such as confidentiality, intellectual property rights, professional indemnity, and engagement conditions. Table 5.5 outlines the professional experience, training, and academic qualifications of selected business coaches.

Table 5.5 *Business Coaches Experience, Training and Qualifications*

<table>
<thead>
<tr>
<th>Business Coach Characteristics</th>
<th>(n=24)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Coaching Experience, Training</strong></td>
<td></td>
</tr>
<tr>
<td>• Previous business coaching experience</td>
<td>100%</td>
</tr>
<tr>
<td>• Formal accredited business coaching training</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Professional Experience in:</strong></td>
<td></td>
</tr>
<tr>
<td>• Small-to-Medium Enterprise</td>
<td>100%</td>
</tr>
<tr>
<td>• Corporate (i.e. companies with more than 200 employees)</td>
<td>96%</td>
</tr>
<tr>
<td>• Overseas experience (eg. Asia, USA, Europe)</td>
<td>79%</td>
</tr>
<tr>
<td>• Owned a business</td>
<td>67%</td>
</tr>
<tr>
<td>• Consulting</td>
<td>63%</td>
</tr>
<tr>
<td>• Government</td>
<td>42%</td>
</tr>
<tr>
<td>• Board membership</td>
<td>33%</td>
</tr>
<tr>
<td>• Partnered in a business</td>
<td>25%</td>
</tr>
<tr>
<td>• Publicly listed a business</td>
<td>21%</td>
</tr>
<tr>
<td>• Education</td>
<td>13%</td>
</tr>
<tr>
<td>• Sold a business</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Academic Qualifications</strong></td>
<td></td>
</tr>
<tr>
<td>• Business</td>
<td>79%</td>
</tr>
<tr>
<td>• Science/Engineering/Law</td>
<td>75%</td>
</tr>
<tr>
<td>• Psychology/Counselling</td>
<td>13%</td>
</tr>
</tbody>
</table>

Table 5.5 shows that more than half the business coaches have experience as an employee or contractor within government; had worked overseas; owned a business; and worked in consulting. Business coaches attend up to five hours of training covering roles and other aspects related to supporting firm needs while operating within programme objectives, and attend pre-and post-workshop briefing sessions. Business coaches work with entrepreneurs in areas such as helping them clarify objectives, understand risks, define
product/service benefits, and develop business and marketing plans (Kurtzman, 2005; Leonard & Swap, 2005). Conducting up to 10 hours of business coaching per firm per workshop, business coaches are paid according to sessions provided to a maximum of $1,500 per workshop, and complete progress reports after each business coaching session.

Participants are matched with business coaches according to product/service, industry sector, and stage of growth. By ensuring appropriate matches are made with business coaches (Megginson et al., 2006), participants are expected to rate their experience positively. It is ensured there is no conflict of interest between the allocated business coach’s current activities and participant’s products/services. Entrepreneurs attend one-hour briefing sessions at the outset of each workshop to ensure understanding of the role of business coaches, expectations of business coaching sessions, and entrepreneurs’ responsibilities. No restrictive employment clauses are imposed beyond the contract period and business coaches are free to work with firms after the programme completion, on a mutually agreed commercial basis, with entrepreneurs.

Procedure and Measures

At the time of programme enrolment, participants are advised that data collected remains anonymous and confidential (Appendix 5.1 Programme Registration and Confidentiality), and asked to complete a questionnaire tapping firm demographics, entrepreneur characteristics, and learning and development experiences (Appendix 5.2 Programme Enrollment Questionnaire). Questionnaires are worded to ensure that the meaning of items is clear (Podsakoff et al., 2003) Instructions for completing the questionnaire are sent via email to ensure the instrument is administered in a consistent manner. Upon programme completion, participants complete a questionnaire on perceptions of experience with business coaching (refer Appendix 5.3 Post-Programme Questionnaire). Table 5.6 shows business coaching variables and related items contained in the questionnaire.

Pre- and post-test questionnaires comprise three variables: business coaches’ role, business coaching session focus, and business coaching satisfaction. Measured on 7-point Likert scales, the present questionnaires tapped variables that emerged during Study 1 of this research.
Table 5.6 Survey Variables, Questions and Related Items on Business Coaching

<table>
<thead>
<tr>
<th>Variable</th>
<th>Question</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business coaches’ role</td>
<td>To what degree did your business coach play the role of:</td>
<td>(a) Sounding board (e.g., open/honest feedback)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) Listener (e.g., empathy, encouragement)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Counsellor (e.g., analysed problems)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(d) Advisor (e.g., expert knowledge, skills)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e) Network facilitator (e.g., access to others)</td>
</tr>
<tr>
<td></td>
<td>To what extent did your business coach refer you to other services?</td>
<td>(a) Legal advice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) Financial/accountancy advice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Business advice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(d) Psychology/psychotherapy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e) Counsellor</td>
</tr>
<tr>
<td>Business coaching session focus</td>
<td>The main focus of your coaching sessions was on:</td>
<td>(a) Vision/strategy/goals/environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) Customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Production (e.g., create/ manufacture)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(d) Processes (e.g., method/ procedures)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e) People (e.g., leadership/managing/culture)</td>
</tr>
<tr>
<td>Business coaching satisfaction</td>
<td>To what extent were you satisfied with your business coaching experience?</td>
<td>(a) Period/length of business coaching</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) Delivery method of your sessions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Your relationship with your coach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(d) Your business coach’s style and approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e) The role/s your business coach played</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(f) The outcome of business coaching</td>
</tr>
</tbody>
</table>

Business coach role (1=not at all to 7=always) builds on the work of a number of authors (Drucker, 2005; Leonard & Swap, 2005; Witherspoon & White, 1997), suggesting that responsiveness and empathic feedback, coupled with expert knowledge, are the hallmark of effective business coaches. Entrepreneurs indicate (yes-no) if business coaches referred them to other services (Berglas, 2002; Bhide, 2000).

Business coaching session focus (1=not at all to 7=always) establishes further the validity of the conceptual framework for co-dependent function of firms (see Figure 4.1 for the model which is based on research and was shown to participants in Study 1), (Delmar et al., 2003; Finkelstein et al., 2007; Leonard & Swap, 2005).

Business coaching satisfaction (1=totally dissatisfied to 7=extremely satisfied) encompasses a number of aspects that collectively make the relationship perceived as one of value (Clutterbuck & Megginson, 1999; Fanasheh, 2003; Leedham, 2005).
Findings emanating from this programme evaluation are presented and discussed in the following section.

**Findings and Discussion**

This section reports on the pre- and post-test results of participants’ perceptions of the various roles played by business coaches, the main focus of business coaching sessions, and the extent of entrepreneurs’ satisfaction with business coaching. Data are analysed using SPSS 18.0 for Windows to report on descriptive statistics, and univariate and multivariate statistical techniques. As noted earlier, research questions are examined in the light of the present findings, and discussed.

**Business Coaches’ Role**

The essence of research question 1 (RQ₁) centres on whether entrepreneurs who have received business coaching previously, rate business coaches’ role significantly higher following a structured business coaching programme when compared with pre-test scores. Table 5.7 shows mean scores and standard deviations for business coach role variables, and correlated t-test statistics, and effect sizes on pre-test versus post-test scores on measures of roles played by business coaches with entrepreneurs who have previously received business coaching.

<table>
<thead>
<tr>
<th>To what degree did your business coach the role of:</th>
<th>Pre-test (n=45)</th>
<th>Post-test (n=45)</th>
<th>Pre/Post-test (n=45)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\bar{x}$ (SD)</td>
<td>$\bar{x}$ (SD)</td>
<td>$t$</td>
</tr>
<tr>
<td>a) Sounding board</td>
<td>6.07 (1.14)</td>
<td>6.22 (0.98)</td>
<td>-0.77</td>
</tr>
<tr>
<td>b) Listener</td>
<td>5.67 (1.64)</td>
<td>6.07 (1.2)</td>
<td>-1.71</td>
</tr>
<tr>
<td>c) Counsellor</td>
<td>5.36 (1.57)</td>
<td>6.11 (0.98)</td>
<td>-3.54*</td>
</tr>
<tr>
<td>d) Advisor</td>
<td>5.49 (1.53)</td>
<td>6.16 (1.07)</td>
<td>-2.98*</td>
</tr>
<tr>
<td>e) Network facilitator</td>
<td>3.22 (2.23)</td>
<td>4.51 (1.93)</td>
<td>-2.82*</td>
</tr>
</tbody>
</table>

*Note. * $p<0.05$.

As shown in Table 5.7, an Omnibus multivariate test (Hotelling’s Trace) $F(9, 36) = 14.10$, $p<0.05$ indicates a significant increase in post-test scores on the roles played by
business coaches. Given the significant multivariate statistical result, post-hoc dependent samples $t$-tests were carried out to specifically examine where differences lay. Participants score significantly higher on business coach role of counsellor $t(44) = -3.54$, $p<0.5$, advisor $t(44) = -2.98$, $p<.05$, and network facilitator $t(44) = -2.82$, $p<.05$. Pearson correlation coefficients between $r = .39$ and $r = .47$ show medium-large effects accounting for not more than 25% of the variance. Scores on roles of sounding board and listener do not differ significantly between pre- and post-test.

These findings suggest business coaches acting as advisors, which is the passing down of wisdom and skill from expert based perceptive experience (Brotman et al., 1998; Clutterbuck, 1991), and network facilitators which includes being an advocate or providing access to capital (Bhide, 2000; Megginson et al., 2006), are roles valued by entrepreneurs. The work of a number of authors (Drucker, 2005; Leonard & Swap, 2005; Witherspoon & White, 1997) imply that the role of business coaches builds on a collaborative, responsive relationship, and empathic feedback coupled with expert knowledge, thus determining the hallmark of effective business coaches. Exposing entrepreneurs to stories and situations that open up a variety of possibilities, business coaches provide entrepreneurs from start-up firms with direction and options to broaden their perspective on reaching their firm’s vision (Kurtzman, 2005).

Interestingly, the role of business coaches as counsellor is reported significantly at pre/post-test by entrepreneurs. According to Sperry (1994) the role of coaching overlaps with counselling, but as observed by Greene and Grant (2003), this might be due to the coaches’ background orientation. However, as only 13% of the business coaches hold a psychology degree, the concern by Berglas (2002) that coaches might be overstepping their expertise, might be founded. Bluckert (2005) advised coaches to stay within the bounds of catalysts for change, rather than act as experts to diagnose and offer solutions for psychological problems. Alternatively, a number of entrepreneurs may equate counselling with the helping profession, and therefore view the term as inter-changeable with coaching and/or mentoring (Garvey & Alred, 2001).

The second research question (RQ$_2$) proposes that entrepreneurs within a structured business coaching programme who have not received business coaching previously, would rate the business coaches’ role significantly higher than entrepreneurs who have previously
received business coaching. Table 5.8 shows mean scores and standard deviations for business coach role variables at post-test.

Table 5.8 Business Coach Role Post-test Mean Scores and Standard Deviations

<table>
<thead>
<tr>
<th>To what degree did your business coach play the role of:</th>
<th>Previous Business Coaching (n=45)</th>
<th>No previous Business Coaching (n=80)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \bar{x} ) (SD)</td>
<td>( \bar{x} ) (SD)</td>
</tr>
<tr>
<td>a) Sounding board</td>
<td>6.22 (.93)</td>
<td>6.21 (.85)</td>
</tr>
<tr>
<td>b) Listener</td>
<td>6.07 (1.12)</td>
<td>6.06 (.88)</td>
</tr>
<tr>
<td>c) Counsellor</td>
<td>6.11 (.98)</td>
<td>6.04 (.95)</td>
</tr>
<tr>
<td>d) Advisor</td>
<td>6.16 (1.07)</td>
<td>6.02 (1.02)</td>
</tr>
<tr>
<td>e) Network facilitator</td>
<td>3.22 (2.23)</td>
<td>4.48 (1.69)</td>
</tr>
</tbody>
</table>

A MANOVA test (Hotelling’s Trace) \( F(5, 119) = .16, p > .05 \) indicates non significant relationships between cohorts on post-test scores for roles played by business coaches. Given the non-significant result, no further post-hoc tests were carried out. Accordingly, findings refute the research question proposing that entrepreneurs with no previous business coaching would rate the business coaches’ role significantly higher was not supported.

In order to examine the extent to which business coaches referred participants to other services, pre-test and post-test frequencies were taken from the same sample, and post-test frequencies for those with no previous business coaching. Table 5.9 shows the proportions of entrepreneurs referred to specialist services by coaches.

Table 5.9 Business Coach Referral to Specialist Services

<table>
<thead>
<tr>
<th>Business Coach Referral</th>
<th>Previous BC Pre-test (n=45)</th>
<th>Previous BC Post-test (n=45)</th>
<th>No previous BC Post-test (n=80)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Legal advice</td>
<td>28.9%</td>
<td>17.8%</td>
<td>6.5%</td>
</tr>
<tr>
<td>b) Financial/accounting advice</td>
<td>17.8%</td>
<td>8.9%</td>
<td>8.6%</td>
</tr>
<tr>
<td>c) Business advice</td>
<td>26.7%</td>
<td>33.3%</td>
<td>9.7%</td>
</tr>
<tr>
<td>d) Psychology/psychotherapy/counselling</td>
<td>4.4%</td>
<td>2.2%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

While Table 5.9 shows a decrease in referrals from the pre- and post-test for legal advice, financial/accounting, and psychology/psychotherapy/counselling services, the incidence of referral for business advice increased. Entrepreneurs with no previous coaching
had a lower incidence of referrals for legal advice, financial/accounting, business advice, and psychology/psychotherapy/ counselling services than entrepreneurs with previous coaching. This finding might indicate that start-up entrepreneurs with previous business coaching are more accustomed to articulating their needs for professional services, whereas start-up entrepreneurs with no previous business coaching are satisfied with the feedback provided by business coaches within a structured programme (Deakins et al., 2000).

Collectively, these findings imply that the role of business coaching is provided to entrepreneurs in a consistent manner, possibly attributable to the training provided to business coaches (Clutterbuck & Megginson, 1999). While entrepreneurs with previous business coaching value business coaches acting as counsellors, advisors, and network facilitators, the mark of effective coaching has been advocated where business coaches act as sounding boards, become confidantes to entrepreneurs’ concerns, and provide objective feedback on performance (Brotman et al., 1998; Cooper & Quick, 2003; Drucker, 2005). It appears that roles of sounding board and listener are held as principles, underpinning coaching professional and as common attributes of all business coaches (Clutterbuck & Megginson, 1999). Effective listening and questioning is said to encourage entrepreneurs to change their thinking by challenging underlying assumptions (Leonard & Swap, 2005). Moreover, it is evident that business coaches refer entrepreneurs to other providers of professional services, as appropriate (Bhide, 2000).

**Business Coaching Session Focus**

Research question 3 (RQ3) taps whether entrepreneurs who have received business coaching previously, rate the focus of business coaching sessions significantly higher at post-test, when compared with pre-test scores. Table 5.10 shows mean scores and standard deviations for business coaching session focus variables between pre- and post-test conditions, and correlated t-test statistics and effect sizes on pre-test versus post-test scores on measures of business coaching session focus.

As shown in Table 5.10, when compared with pre-test, an Omnibus multivariate test (Hotelling’s Trace) $F(9, 36) = 18.24, p < .05$ indicates a significant increase in post-test scores on business coaching session focus. Given the significant multivariate statistical result, post-hoc dependent samples t-tests are carried out to examine specifically where differences lay.
Participants scored significantly higher on business coaching session focus of customers $t(44) = -2.53, p<0.05$, and production $t(44) = -3.03, p<0.05$. Pearson correlation coefficients between $r = .36$ and $r = .42$ show medium effect accounting for up to 17.6% of the variance. Scores on role of vision/strategy/goals/environment, processes, and people do not differ significantly between pre- and post-test.

Table 5.10 Business Coaching Session Focus Mean, Standard Deviation and Correlated t-Test Statistics

<table>
<thead>
<tr>
<th>The main focus of business coaching sessions was on:</th>
<th>Pre-test ($n=45$)</th>
<th>Post-test ($n=45$)</th>
<th>Pre/Post-test ($n=45$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\bar{x}$ (SD)</td>
<td>$\bar{x}$ (SD)</td>
<td>$t$</td>
</tr>
<tr>
<td>a) Vision/strategy/goals/environment</td>
<td>5.42 (1.41)</td>
<td>5.53 (1.58)</td>
<td>- .34</td>
</tr>
<tr>
<td>b) Customers</td>
<td>3.98 (2.06)</td>
<td>4.89 (1.79)</td>
<td>-2.53*</td>
</tr>
<tr>
<td>c) Production</td>
<td>2.47 (1.55)</td>
<td>3.56 (1.93)</td>
<td>-3.03*</td>
</tr>
<tr>
<td>d) Processes</td>
<td>3.90 (1.82)</td>
<td>4.49 (1.92)</td>
<td>-1.83</td>
</tr>
<tr>
<td>e) People</td>
<td>4.20 (2.07)</td>
<td>4.40 (2.03)</td>
<td>-.56</td>
</tr>
</tbody>
</table>

Note. * $p<.05$.

The findings that customers and production are a significant focus of business coaching sessions for start-up entrepreneurs is consistent with responses from interviews conducted during the exploratory, Study 1 stage of this research. While firms involve a complex mix of factors, customers represent the primary reason for firm success or failure which is built upon the enterprises’ ability to produce goods and services that satisfy customer demand and value (Delmar et al., 2003; Finkelstein et al., 2007; Leonard & Swap, 2005).

The fourth research question (RQ4) proposes that entrepreneurs within a structured business coaching programme who have not received business coaching previously, rate business coaching session focus significantly higher than entrepreneurs who had previously received business coaching. Table 5.11 shows post-test mean scores and standard deviations for business coaching session focus.

A MANOVA test (Hotelling’s Trace) $F(5, 119) = 1.03, p>.05$ indicates non significant differences between cohorts on business coaching session focus outcome variables at post-test. Given the non-significant multivariate statistical result, no further post-hoc tests are carried out. The question regarding whether participants with no previous
Business coaching and SME growth

Business coaching would rate the business coaching session focus significantly higher than those who have previously received business coaching, is not supported.

Table 5.11 *Business Coaching Session Focus Mean Scores and Standard Deviations*

<table>
<thead>
<tr>
<th>The main focus of business coaching sessions was on:</th>
<th>Previous Business Coaching (n=45)</th>
<th>No previous Business Coaching (n=80)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \bar{x} ) (SD)</td>
<td>( \bar{x} ) (SD)</td>
</tr>
<tr>
<td>a) Vision, strategy, goals, environment</td>
<td>5.42 (1.41)</td>
<td>5.53 (1.58)</td>
</tr>
<tr>
<td>b) Customers</td>
<td>3.98 (2.06)</td>
<td>4.89 (1.79)</td>
</tr>
<tr>
<td>c) Production</td>
<td>2.47 (1.55)</td>
<td>3.56 (1.93)</td>
</tr>
<tr>
<td>d) Processes</td>
<td>3.90 (1.82)</td>
<td>4.49 (1.93)</td>
</tr>
<tr>
<td>e) People</td>
<td>4.20 (2.07)</td>
<td>4.40 (2.03)</td>
</tr>
</tbody>
</table>

In summary, entrepreneurs who have previously received business coaching identified customers and production as the significant business coaching session focus during the structured programme. As noted, this might have been due, in part, to the nature of the workshop topics. Comparisons between cohorts show no significant differences, indicating similarity for coaching session focus. Business coaches typically ensure entrepreneurs have a clear vision with timely goals, and set achievable tasks based on performance (Clegg et al., 2003; Clutterbuck & Megginson, 1999; Hall et al., 1999; Rider, 2002; Zeus & Skiffington, 2002). As people within firms form the basis of growth, effective leadership and the ability to convey the firm vision succinctly, is paramount to success (Tichy, 2002). In order for entrepreneurs to take a holistic approach to the firm and delegate work to employees, processes and procedures are said to be needed for growth and effective management (Gerber, 1995; 2005; Kets de Vries et al., 2007c; Leonard & Swap, 2000; Sexton et al., 1997).

**Business Coaching Satisfaction**

Research question 5 (RQ5) asks whether entrepreneurs who have received business coaching previously, rate their satisfaction with business coaching significantly higher, when compared with pre-test, following a structured business coaching programme. Table 5.12 shows mean scores and standard deviations for business coaching satisfaction between pre-
and post-test conditions, and dependent sample t-test statistics and effect sizes on pre-test versus post-test scores on measures of business coaching satisfaction.

Table 5.12 Business Coaching Satisfaction Mean Standard Deviation and Correlated t-Test Statistics

<table>
<thead>
<tr>
<th>To what extent were you satisfied with your business coaching:</th>
<th>Pre-test (n=45)</th>
<th>Post-test (n=45)</th>
<th>Pre/Post-test (n=45)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \bar{x} ) (SD)</td>
<td>( \bar{x} ) (SD)</td>
<td></td>
</tr>
<tr>
<td>a) The period/length of your sessions</td>
<td>5.20 (1.73)</td>
<td>5.58 (1.36)</td>
<td>-1.24</td>
</tr>
<tr>
<td>b) The delivery method of your sessions</td>
<td>5.67 (1.43)</td>
<td>6.33 (.85)</td>
<td>-3.38*</td>
</tr>
<tr>
<td>c) Relationship with your business coach</td>
<td>5.91 (1.24)</td>
<td>6.18 (.94)</td>
<td>-1.47</td>
</tr>
<tr>
<td>d) Your business coaches’ style/approach</td>
<td>5.60 (1.42)</td>
<td>6.20 (1.06)</td>
<td>-2.83*</td>
</tr>
<tr>
<td>e) The role/s your business coach played</td>
<td>5.44 (1.60)</td>
<td>6.16 (1.09)</td>
<td>-3.39*</td>
</tr>
<tr>
<td>f) Outcome of business coaching</td>
<td>5.40 (1.60)</td>
<td>6.13 (1.01)</td>
<td>-3.10*</td>
</tr>
</tbody>
</table>

*Note.* *p*<.05.

As shown in Table 5.12, an Omnibus multivariate test (Hotelling’s Trace) \( F(11, 34) = 5.48, \ p<.05 \) indicates a significant increase in post-test scores on business coaching satisfaction. Post-hoc dependent t-tests reveal that participants score significantly higher on business coaching satisfaction for the delivery method of sessions \( t(44) = -3.38, \ p<0.05 \), business coach’s style and approach \( t(44) = -2.83, \ p<0.05 \), the role/s the business coach played \( t(44) = -3.39, \ p<0.05 \), and the outcome of business coaching \( t(44) = -3.10, \ p<0.05 \). Correlation coefficients between \( r = .39 \) and \( r = .46 \) show a medium effect accounting for up to 18.4% of the variance. Scores on satisfaction with the period/length of sessions and relationship with one’s business coach did not differ significantly between pre- and post-test.

These findings suggest that entrepreneurs are satisfied with a number of areas of business coaching. The significant rating for the delivery method of business coaching within a structured environment is consistent with Mumby-Croft and Brown (2005). Programmes inevitably fail because of lack of focus and clarity (Clutterbuck, 2002; Eby et al., 2000). The style, approach, and role played by business coaches can be attributed to the process undertaken at the commencement of the programme to ensure that areas such as the stage of firm growth and industry are matched appropriately with business coaches’ background and experiences, in addition to the training provided (Clutterbuck & Megginson, 1999; Leonard & Swap, 2005; Syme, 1999). Further, satisfaction with business coaching,
hinges on entrepreneurs gaining insight into their present situation and envisioning future
goals while working collaboratively with business coaches to achieve desired outcomes
(Rider 2002; Stober, 2006; Witherspoon & White, 1996).

The final research question (RQ6) centres on whether entrepreneurs within a
structured business coaching programme who have not received business coaching
previously, would rate business coaching satisfaction significantly higher than entrepreneurs
who had previously received business coaching. Table 5.13 shows mean scores and standard
deviations for cohorts on business coaching satisfaction at post-test.

Table 5.13 *Business Coaching Satisfaction Mean Scores and Standard Deviations*

<table>
<thead>
<tr>
<th>To what extent were you satisfied with your business coaching:</th>
<th>Previous Business Coaching (n=45)</th>
<th>No Previous Business Coaching (n=80)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) The period/length of your sessions</td>
<td>$\bar{x}$ (SD) 5.20 (1.73)</td>
<td>$\bar{x}$ (SD) 5.58 (1.36)</td>
</tr>
<tr>
<td>b) The delivery method of your sessions</td>
<td>$\bar{x}$ (SD) 5.67 (1.43)</td>
<td>$\bar{x}$ (SD) 6.33 (.85)</td>
</tr>
<tr>
<td>c) Relationship with your business coach</td>
<td>$\bar{x}$ (SD) 5.91 (1.24)</td>
<td>$\bar{x}$ (SD) 6.18 (.94)</td>
</tr>
<tr>
<td>d) Your business coaches’ style/approach</td>
<td>$\bar{x}$ (SD) 5.60 (1.42)</td>
<td>$\bar{x}$ (SD) 6.20 (1.06)</td>
</tr>
<tr>
<td>e) The role/s your business coach played</td>
<td>$\bar{x}$ (SD) 5.44 (1.60)</td>
<td>$\bar{x}$ (SD) 6.16 (1.09)</td>
</tr>
<tr>
<td>f) Outcome of business coaching</td>
<td>$\bar{x}$ (SD) 5.40 (1.60)</td>
<td>$\bar{x}$ (SD) 6.13 (1.01)</td>
</tr>
</tbody>
</table>

A MANOVA test (Hotelling’s Trace) $F(5, 119) = .96, p > .05$ indicates non-significant
differences across cohorts on business coaching satisfaction at post-test. Given the non-
significant multivariate statistical result, no further post-hoc tests are carried out. The
expectation that participants with no previous business coaching would rate their relationship
with their business coach significantly higher than those who have received business
coaching previously, is not supported.

Overall, business coaching is valued highly by participants, with satisfaction
attributed to business coaches’ backgrounds and experiences (Leonard & Swap 2005). Business coaches’ varied experiences enable entrepreneurs to gain insight, viewing their firm’s progress objectively and realistically, from broader perspectives (Kambil et al., 2000). Entrepreneurs appear to be more satisfied with a structured programme than with their previous business coaching received. Findings of non-significant differences in satisfaction levels between previous and no previous business coaching cohorts, suggest that sessions
delivered by practicing professionals resonates with entrepreneurs (Sexton et al., 1997). As a general observation, relationships with business coaches, which are based on trust, is central to fulfilling entrepreneur needs (Leonard & Swap, 2005). Moreover, Megginson et al. (2006) argued against using premeditated tools, instead recommended going with an approach that is invented ‘in the moment’.

**Summary and Limitations**

The aim of Study 2 was to establish measures of business coaching using pre- and post-test outcome ratings with a comparison group of start-up entrepreneurs in a structured environment. The overarching research question addressed during this study was: *What difference, if any, does a structured programme make to entrepreneurs’ perceptions of business coaching?*

In order to examine the extent to which previous business coaching and no previous business coaching could be distinguished, a further six research questions were posed and examined post-test on a range of dependent variables: roles played by business coaches; the main focus of business coaching sessions; and the extent of entrepreneurs’ satisfaction with business coaching. Three research questions, focussed on whether entrepreneurs with previous coaching rate their experience any differently after a structured business coaching programme, produced significant differences. Table 5.14 summarises the factors deemed to be significant, and effect sizes of pre/post-test tests for entrepreneurs with previous business coaching experience.

As shown in Table 5.14, significant differences emerge with medium-large effects on measures assessing business coaches’ role, and medium effects on measures assessing business coaching session focus, and business coaching satisfaction. These findings indicate that a structured programme can positively influence entrepreneurs’ experiences of business coaching. Further, findings suggest that the role of business coaches as advisors, network facilitators, and counsellors, with sessions focussed on firm production and customers, are viewed positively by start-up entrepreneurs.
Table 5.14 Variables, Significant Items and Effect Size of Pre- and Post-Test Measures for Entrepreneurs with Previous Business Coaching Experience

<table>
<thead>
<tr>
<th>Variables</th>
<th>Significant Items</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business coach role</td>
<td>Counsellor Advisor Network facilitator</td>
<td>Medium-large effects accounting for up to 25% of the variance</td>
</tr>
<tr>
<td>Business coaching session focus</td>
<td>Customers Production</td>
<td>Medium effects accounting for up to 17.6% of the variance</td>
</tr>
<tr>
<td>Business coaching satisfaction</td>
<td>Delivery method of your sessions Your business coach’s style and approach The role/s your business coach played The outcome of business coaching</td>
<td>Medium effects accounting for up to 18.4% of the variance</td>
</tr>
</tbody>
</table>

The significant findings that business coaching sessions focusing on customers and production are consistent with Deakin and Freel (1998) who reported that the opportunity to learn about marketing strategies during a structured programme is valued by entrepreneurs. Not surprisingly, the training component of the structured programme is centred upon commercialisation, market entry and global growth, therefore topics surrounding customers and production would naturally flow over into business coaching (Gerber, 2005; Kaplan & Norton, 1996). According to Page and Jones (1990a) vision, strategy, and direction setting at the start-up phase of firms can be solidified only when entrepreneurs understand customers’ needs and wants within a competitive environment.

Three research questions identify whether entrepreneurs with no previous business coaching rate their experience differently to entrepreneurs with previous business coaching experience. Analyses culminated in no statistically significant differences between cohorts, indicating consistency of experience between entrepreneurs. Moreover, the structured programme, established to address entrepreneurial challenges by providing SMEs with outcome-driven workshops and business coaching covering identification of new business opportunities for growth, is shown to be viewed positively by participants. An important aspect of business coaching, and confirmed through this programme, would appear to be appropriate matching between business coaches and entrepreneurs (Clutterbuck & Megginson, 1999).
In conclusion, one premise of this thesis is that business coaching is a structured, goal focussed process based on collaborative relationships and highly effective when undertaken by business coaches with practical experience is supported (Clegg et al., 2003; Hall et al., 1999). Respect between business coach and entrepreneur are said to be essential elements to effective relationships (Kilburg, 2000). Rather than relying on personal observation alone, the accumulated experience of business coaches means they can recognise patterns within firms and provide hypothetical examples and stories which serve to fill gaps in entrepreneurs’ knowledge, opening them up to a variety of possibilities (Leonard & Swap, 2005). Experienced business coaches can offer entrepreneurs introductions to other networks and professional services, thus providing opportunities for entrepreneurs that they might not have had without such help (Bhide, 2000; Kurtzman, 2005).

Limitations to Study 2 include the possibility that findings were compromised by the unequal sample size (previous business coaching n=45; no previous business coaching n=80). Moreover, whilst findings might be generalisable to start-up entrepreneurs and their learning needs, the present study was not conducted over an extended period to determine long-term effects and results from firm growth (Kazdin, 1980). Clearly, further research is needed to determine the impact, if any, that business coaching has on SME performance and growth. Although the present study is limited by sample size, findings form the basis for a larger-scale investigation into the effects of business coaching with SMEs. Therefore, measures from the present research appear to be appropriate, and contribute to the investigation to be conducted in Study 3.

In order to determine the effects of business coaching on firm growth, it is recommended that entrepreneurs from fast-growth SMEs are used as the cohort, enabling the results of business coaching to be measured. According to Feindt et al. (2002) fast-growth presents different interpretations of firm trajectory, but can be measured using compound sales growth percentage. However, a number of factors contribute to firm growth, such as firm age, high-profile leadership, trained employees, and effective systems and structures (Anthony et al., 2008; Page & Jones, 1990b; Storey, 1994). In addition, entrepreneurial traits, behaviours, and perceptions can affect the financial success of firms (Bender, 2007), and should be measured for their effect on firm growth. Collectively, these factors should be taken into account in Study 3.
Based on implications emerging from Study 2, it is recommended that Study 3 utilise a larger, comparative sample, to examine possible differences between business coaching versus no business coaching experiences, by applying measures to reduce possible researcher bias and interpretation of data.

The next section discusses the overall intent, and the inter-relationships between Studies 1 and 2.


**Review and Discussion of Studies 1 and 2**

Exploratory in design, the intent of Studies 1 and 2 was to survey a cross-section of business coaches and entrepreneurs, with the overall aim of selecting, developing, and testing suitable constructs, and determining appropriate participants for Studies 3 and 4. The objective of Study 1 was to clarify assumptions of business coaching by carrying out an investigation of entrepreneurs (fast-growth; lifestyle), and business coaches’ views regarding the process and outcomes of business coaching. The point of Study 2 was to select, develop, and establish measures based on responses associated with start-up entrepreneurs undertaking a structured training and business coaching programme.

Interviews sought to understand the application of the terms coaching and mentoring in a business environment to ascertain whether they were interchangeable or separate processes. Accordingly, it is maintained that the terms of coaching and mentoring are interchangeable (Garvey, 2004), and thus, furthering Clegg et al.’s. (2003) description, a definition of business coaching for the present thesis is established as: business coaching is a collaborative relationship between experienced business coaches, and entrepreneurial leaders, focussing on business goals, entrepreneurs’ development, and contribution to firm growth.

Findings indicate that post-test, a structured training and business coaching programme positively influences experiences of entrepreneurs who have received business coaching previously, however, analyses culminated in no statistically significant differences between cohorts, indicating consistency of experience between entrepreneurs. The training component of the structured training programme acted as a segue to business coaching where entrepreneurs were able to solidify strategies to develop goods and services that support their chosen customer market within a competitive environment (Gerber, 2005; Kaplan & Norton, 1996; Page & Jones, 1990a). Structured business coaching linked to business and management needs can form a basis for effective development and firm growth (Garrett-Harris, 2006, Gibb, 2009). Moreover, business coaching undertaken by persons with practical business experience and conducted within collaborative relationships in a structured, goal focussed manner, is supported (Clegg et al., 2003; Hall et al., 1999).

Interestingly, while business coaches and entrepreneurs interviewed shared a number of equivalent perspectives on entrepreneurial drivers, business coaching experience, and business coaching measurement, differences are present between the lifestyle firm versus
fast-growth firm. The lifestyle entrepreneur showed a propensity towards putting family and employees at the forefront of decision making and seems to be satisfied with this preference (Hay & Kamshad, 1994). In comparison, fast-growth entrepreneur tended to be motivated towards being goal directed with a results-orientated attitude. As identified by St-Jean et al. (2005) the motivation of entrepreneurs to focus on end-goals, coupled with the ability to adjust capacity to market forces and customer needs, is particularly important to growth.

In reviewing the two studies, differences are noted between entrepreneurs of established firms, and start-up entrepreneurs completing pre/post test questionnaires. For example, established entrepreneurs value business coaches’ roles encompassing that of sounding board, critical friend, and listener. In contrast, significant effects are found for start-up entrepreneurs where business coaches’ roles are that of counsellor, advisor, and network facilitator. It has been said (Sequeira et al., 2007) that entrepreneurs with strong social networks are more likely to succeed. Established entrepreneurs share similar views on the focus of business coaching sessions including context (vision; goals; strategy), processes, and people. However, significant effects are observed at pre/post test with start-up entrepreneurs, where sessions focus was on firm production and customers. Delmar et al. (2003) noted differences between established and start-up entrepreneurs according to stage of growth, with elements such as profitability and degree of risk taking centrality during sessions, thus influencing business coaching focus.

While sampling a cross-section of participants including a lifestyle entrepreneur, a fast-growth entrepreneur, and a group of start-up entrepreneurs, limitations are previously outlined in Studies 1 and 2 regarding the relatively small sample sizes potentially influencing the external validity (Kazdin, 1980). Accordingly, it is noted that interview material could have been influenced by researcher interpretation, and the period of time over which the comparison group was studied might not have been extended sufficiently enough to determine long-term effects, and results, from firm growth. Nevertheless, the triangulated approach taken helped establish relationships between qualitative and quantitative methods (Saunders et al., 2000).

Thus, although limitations are evident in Study 2, the constructs of business coaches’ role, business coaching session focus, and business coaching satisfaction, form the basis of a measurable investigation into the effects of business coaching on firm financial performance.
and revenue growth in Study 3. In order to determine the effects business coaching and entrepreneur level of confidence on firm performance and revenue growth, the following Studies 3 and 4 concentrate on cohorts of fast-growth entrepreneurs. Thus, the next chapter reports on the analysis and outcomes of Study 3.
CHAPTER 6: STUDY 3

DEVELOPMENT AND TESTING OF A MODEL OF BUSINESS COACHING AND FAST-GROWTH

Overview

Chapter 6 reports on the findings of Study 3, a quantitative study involving fast-growth SME entrepreneurial leaders. As outlined Table 6.1, Study 3 examines two cohorts of fast-growth SMEs addressing the principal question of whether business coaching contributes to firm performance and growth. To address this question, this study draws on Studies 1 and 2, learning evaluation models, and business growth theories, and examines inter-relationships between firm characteristics (e.g., industry sector, firm age, number of employees), entrepreneur characteristics (e.g., leader age, gender, academic qualifications), and personality attributes. Beginning with hypotheses to be tested, the present research design and methodology is presented, including a description of participants, measures, and data collection procedures. Constructs and results are discussed. The present chapter concludes with a discussion of findings and limitations.

Table 6.1 Design of Study 3: The Development and Testing of a Model of Business Coaching and Fast Growth

<table>
<thead>
<tr>
<th>Aim</th>
<th>Research Question</th>
<th>Method</th>
<th>Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>To identify the contribution of business coaching to firm growth</td>
<td>What contribution if any, does business coaching make directly or indirectly to firm growth?</td>
<td>Cross-sectional survey of fast-growth SMEs</td>
<td>Business coaching (n=100) versus No business coaching (n=100)</td>
</tr>
</tbody>
</table>

Study 3 aims to identify the extent to which business coaching contributes to SME growth. Inter-relationships that influence growth are examined between distinguishing firm features (e.g., industry sector, firm age, number of employees), entrepreneur characteristics (e.g., leader age, gender, academic qualifications), and entrepreneur orientation (i.e., locus-of-control, self-efficacy). In order to compare firm growth rate, a predictive, quantitative approach is taken with two cohorts: entrepreneurs who have received business coaching versus entrepreneurs who have not received business coaching. The question addressed during this stage of the research is: **What contribution, if any, does business coaching make directly or indirectly to firm growth?**
Testable Hypotheses

Following an extensive review of the literature as outlined in Chapter 2, this thesis proposes that business coaching contributes to the development of entrepreneurs’ locus-of-control and self-efficacy, which in turn contributes to firm growth. In order to avoid any repetition, the literature is not reiterated in this section. Using the findings of Studies 1 and 2, business coaching is posited to involve inter-relationships between coaches’ role, session focus, results of coaching, coaching satisfaction, and entrepreneurs’ level of confidence. Table 6.2 shows 17 testable hypotheses proposed for business coaching and entrepreneur level of confidence.

Figure 6.1 depicts the 17 hypothesised relationships tested in the present study. These inter-relationships involve the business coaches’ role, the coaching session focus, entrepreneurs’ perceived coaching results, entrepreneurs’ level of coaching satisfaction, entrepreneurs’ locus-of-control and self-efficacy, and firm performance through percentage revenue growth, culminating in a hypothesised model of business coaching and firm growth.

![Figure 6.1. Hypothesised model of business coaching and firm growth.](image-url)
### Table 6.2 Proposed Hypotheses on Business Coaching and Entrepreneur Level of Confidence

<table>
<thead>
<tr>
<th>Theme</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Coaches’ Role</strong></td>
<td><strong>H₁a</strong> The role adopted by business coaches positively influences the collaborative focus of business coaching sessions</td>
</tr>
<tr>
<td></td>
<td><strong>H₁b</strong> The role adopted by business coaches positively influences entrepreneurs’ internal locus-of-control</td>
</tr>
<tr>
<td></td>
<td><strong>H₁c</strong> The role adopted by business coaches positively influences entrepreneurs’ external locus-of-control</td>
</tr>
<tr>
<td></td>
<td><strong>H₁d</strong> The role adopted by business coaches positively influences entrepreneurs’ self-efficacy</td>
</tr>
<tr>
<td><strong>Business coaching session focus</strong></td>
<td><strong>H₂a</strong> The business coaching session focus positively influences the results of business coaching</td>
</tr>
<tr>
<td></td>
<td><strong>H₂b</strong> The business coaching session focus positively influences entrepreneurs’ internal locus-of-control</td>
</tr>
<tr>
<td></td>
<td><strong>H₂c</strong> The business coaching session focus positively influences entrepreneurs’ external locus-of-control</td>
</tr>
<tr>
<td><strong>Business coaching results</strong></td>
<td><strong>H₃a</strong> Results of business coaching positively influences entrepreneurs satisfaction with coaching</td>
</tr>
<tr>
<td></td>
<td><strong>H₃b</strong> Results of business coaching positively influences entrepreneurs’ internal locus-of-control</td>
</tr>
<tr>
<td></td>
<td><strong>H₃c</strong> Results of business coaching negatively influences entrepreneurs’ external locus-of-control</td>
</tr>
<tr>
<td></td>
<td><strong>H₃d</strong> Results of business coaching positively influences entrepreneurs’ self-efficacy</td>
</tr>
<tr>
<td><strong>Business coaching satisfaction</strong></td>
<td><strong>H₄a</strong> Satisfaction with business coaching positively influences entrepreneurs’ internal locus-of-control</td>
</tr>
<tr>
<td></td>
<td><strong>H₄b</strong> Satisfaction with business coaching positively influences entrepreneurs’ external locus-of-control</td>
</tr>
<tr>
<td></td>
<td><strong>H₄c</strong> Satisfaction with business coaching positively influences entrepreneurs’ self-efficacy</td>
</tr>
<tr>
<td><strong>Entrepreneur level of confidence</strong></td>
<td><strong>H₅a</strong> Entrepreneurs’ internal locus-of-control positively influences firm growth</td>
</tr>
<tr>
<td></td>
<td><strong>H₅b</strong> Entrepreneurs’ external locus-of-control negatively influences firm growth</td>
</tr>
<tr>
<td></td>
<td><strong>H₅c</strong> Entrepreneurs’ self-efficacy positively influences firm growth</td>
</tr>
</tbody>
</table>

### Research Design

Study 3 takes a predictive, quantitative approach involving two cohorts (business coaching versus no business coaching) compared on business characteristics and growth. In light of the testable research hypotheses developed for this thesis, deductive and logical analysis is employed to control, predict, and demonstrate causal relationships (Cavana et al., 2001). Factor analytical techniques examine the underlying patterns on variables to
determine whether components can be summarised into smaller sets (Hair, Black, Babin, Anderson, & Tatham, 2006). Exploratory factor analysis (EFA), involving Principle Axis Factoring and Oblimin Rotation as the transformation method (Hox & Bechger, 1998), are used to test relationships between latent factors and observed variables (business coach role, coaching session focus, coaching results, entrepreneur satisfaction with business coaching, and entrepreneur self-efficacy and locus-of-control). EFA is used to eliminate survey items with loadings <0.3 on factors (Hair et al., 2006) and improve the interpretation of suitable pattern clusters for the next stage (Hox & Bechger, 1998). Confirmatory Factor Analysis (CFA) is used to obtain parameter estimates to determine factor loadings, variances, and covariances, and residual errors, and also to assess whether data are a good fit to the model, hence testing whether the model is plausible with factors that predict reasonably the observed variables (Hox & Bechger, 1998). Structural equation modelling (SEM) methods are utilised to establish relationships between latent variables (Schumacker & Lomax, 1996) and reveal the significance of business coaching on firm financial performance and percentage growth.

**Method**

**Participants**

Participants are self-nominated business owners and entrepreneurial leaders of 200 private (n=190) and public (n=10) firms who responded to advertisements calling for Australia’s fastest growing SME firms (Walker, 2006). Known as the *BRW Fast100*, the survey has been conducted annually for over 20 years by Business Review Weekly (BRW), and included questions relating to business coaching as developed by the present researcher. The survey has similarities to *Fortune’s FSB 100*, North America’s fastest growing small businesses annually. Criteria for *BRW Fast100* inclusion are annual revenue in excess of AUD$500,000 rising each year over four consecutive financial periods; not receiving more than 50% of revenue from one client; having fewer than 200 full-time and part-time employees; and not a subsidiary of an Australian or overseas company. Unlisted companies must be privately owned.

Of the 200 participants, 50% (n=100) had used a business coach and 50% (n=100) had not used a business coach. The majority of the entrepreneurs were male with 92% (n=100) having used a business coach, and 95% (n=100) not having used a business coach.
Where appropriate, parametric (independent samples $t$-test) and non-parametric (chi-square) tests are carried out. Table 6.3 shows firms by industry. Firms are categorised according to Australian and New Zealand Industrial Classification (ANZSIC) industry sectors (ABS, 1983).

Table 6.3 *Fast-Growth Firms by Industry Sector*

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Business Coach ($n=100$) %</th>
<th>No Business Coach ($n=100$) %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>Property</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>Finance</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Personal</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Construction</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Communications</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Retail</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Education</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Transport</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Accommodation</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Cultural</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Health</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mining</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Agriculture</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

As highlighted in Table 6.3 participants represent a cross-section of industry sectors, with chi-square cross-tabulation test revealing no significant differences on industry sectors across both cohorts $\chi^2(15, n=200) = 17.56, p>.05$. Table 6.4 shows firm demographics including: number of employees, age of participating firms, revenue turnover, and percentage growth, by previous business coaching versus no business coaching experience.

In terms of firm demographics shown in Table 6.4, independent samples $t$-tests, culminate in non-significant differences amongst cohorts on firm size (number of employees), firm age, and percentage growth on revenue turnover. Although cohorts differ significantly on revenue turnover $t(198) = 3.80, p<.05$, the $r^2$ effect size, accounting for less then 1% of the total variance, was relatively small.
Table 6.4 *Fast-Growth Firm Demographics: Employees, Age, Revenue, Percentage Growth*

<table>
<thead>
<tr>
<th>Industry Demographics</th>
<th>Business Coach (n=100)</th>
<th>No Business Coach (n=100)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Range – no. employees</td>
<td>2 – 197</td>
<td>3 – 200</td>
</tr>
<tr>
<td>• Mean (Standard Deviation)</td>
<td>40.27 (41.43)</td>
<td>46.37 (47.93)</td>
</tr>
<tr>
<td>• Median</td>
<td>25.5</td>
<td>29.5</td>
</tr>
<tr>
<td><strong>Firm Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Range - years</td>
<td>3 – 54</td>
<td>3 – 26</td>
</tr>
<tr>
<td>• Mean (Standard Deviation)</td>
<td>8.67 (7.13)</td>
<td>8.54 (5.61)</td>
</tr>
<tr>
<td>• Median</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>**Revenue Turnover (Australian dollars)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Range</td>
<td>.9m – 161m</td>
<td>.5m – 1,160m</td>
</tr>
<tr>
<td>• Mean</td>
<td>9,010,687</td>
<td>32,233,387</td>
</tr>
<tr>
<td>• Median</td>
<td>5,647,915</td>
<td>10,438,735</td>
</tr>
<tr>
<td><strong>Percentage Growth on Revenue Turnover from Previous Year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Range</td>
<td>7 – 650%</td>
<td>9 – 407%</td>
</tr>
<tr>
<td>• Mean (Standard Deviation)</td>
<td>83.74 (86.45)</td>
<td>88.67 (69.7)</td>
</tr>
<tr>
<td>• Median</td>
<td>65</td>
<td>69.5</td>
</tr>
</tbody>
</table>

*Note: *p*.05

Table 6.5 shows entrepreneurs reason for starting the firm, source of revenue growth, and the biggest issue facing the firm in the previous year.

The firm characteristics shown in Table 6.5 identify common patterns occurring between entrepreneurs with business coaches and those without business coaches, and reveal non-significant differences on chi-square cross-tabulation tests for entrepreneur’s reason for starting the firm $\chi^2(3, n=200) = 2.19, p>.05$ (e.g., saw a niche): source of revenue growth $\chi^2(3, n=200) = 3.40, p>.05$ (e.g., organic growth); and biggest issue facing the firm in the previous year $\chi^2(3, n=200) = 3.43, p>.05$ (e.g., hiring quality staff).

Table 6.6 shows entrepreneur characteristics by age when starting the firm, gender, and academic qualifications.
Table 6.5 *Entrepreneur Reason for Starting Firm, Revenue Growth, and Biggest Issues*

<table>
<thead>
<tr>
<th>Firm Characteristics</th>
<th>Business Coach (n=100) %</th>
<th>No Business Coach (n=100) %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entrepreneur Reason for starting the firm</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Saw a niche</td>
<td>32</td>
<td>41</td>
</tr>
<tr>
<td>• Independence</td>
<td>27</td>
<td>17</td>
</tr>
<tr>
<td>• Wealth creation</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>• Challenge</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>• Could do better job than boss</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>• Lack of career opportunities</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>• Buying yourself a job</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Revenue growth will come from:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Organic growth</td>
<td>46</td>
<td>56</td>
</tr>
<tr>
<td>• New domestic markets</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>• Better business practices</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>• New products</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>• Acquisitions</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>• Exporting</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>• Increase productivity</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>• Competition</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>• Secure global partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Biggest issue faced by firm in previous year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hiring quality staff (skill shortage)</td>
<td>50</td>
<td>33</td>
</tr>
<tr>
<td>• Growth strategies</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>• Capital for growth</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>• Managing staff</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>• Margin pressures</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>• Getting rid of poor performers</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>• Growing competition</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>• Slowing economic conditions</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>• Rising interest rates</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>• Technology</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>• Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As identified in Table 6.6, independent samples *t*-tests reveal non-significant differences amongst entrepreneur characteristics on age when starting firms, and gender, but significant differences on academic qualifications $\chi^2(2, n=200) = 10.39, p<.05$. That is, proportionately, participants who have received business coaching have higher academic qualifications than those who have not received business coaching.
Table 6.6 *Entrepreneur Characteristics by Age When Starting Firm, Gender, and Academic Qualifications*

<table>
<thead>
<tr>
<th>Entrepreneur Characteristics</th>
<th>Business Coach (n=100) %</th>
<th>No Business Coach (n=100) %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age when starting the firm</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 30 – 50</td>
<td>31</td>
<td>28</td>
</tr>
<tr>
<td>• Under 30</td>
<td>62</td>
<td>68</td>
</tr>
<tr>
<td>• Over 50</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Male</td>
<td>92</td>
<td>95</td>
</tr>
<tr>
<td>• Female</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>**Academic qualification **</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Secondary (HSC; less than HSC)</td>
<td>17</td>
<td>36</td>
</tr>
<tr>
<td>• Tertiary</td>
<td>64</td>
<td>48</td>
</tr>
<tr>
<td>• Post Graduate (Diploma; Masters; Doctorate; other)</td>
<td>19</td>
<td>16</td>
</tr>
</tbody>
</table>

Note. **p < .01.

*Entrepreneurs with Previous Business Coaching Experience*

Of the 100 entrepreneurs who have received business coaching previously, 81.4% have engaged in one-on-one coaching, 18.6% have participated in group coaching, and 29% have received business coaching as part of a training programme. Table 6.7 shows entrepreneurs’ experience with business coaching.

As Table 6.7 shows, entrepreneurs commonly received 1-10 sessions from business coaches (41%), payment was made by entrepreneurs’ companies (59.4%), and business coaching was flexible from session to session (45.9%). Entrepreneurs reported that 61.4% agreed on outcomes or deliverables prior to business coaching commencement, and 81% of the business coaches had owned a business. Main reasons given for engaging business coaches were a mixture of tangible (e.g., firm growth, manage processes: 37.4%) and intangible (e.g., expand thinking, develop potential, change behaviour: 30.4%) outcome expectations, with 80% of entrepreneurs attributing up to 30% of their firm growth to business coaching received.
Table 6.7 *Entrepreneur Experience with Business Coaching*

<table>
<thead>
<tr>
<th>Question</th>
<th>Item</th>
<th>Business Coaching</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Sessions with last Business Coach</td>
<td>1 – 10 sessions</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>11 – 20 sessions</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>21 – 50 sessions</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>More than 50 sessions</td>
<td>12</td>
</tr>
<tr>
<td>Payment for Business Coaching</td>
<td>Made by your company</td>
<td>59.4</td>
</tr>
<tr>
<td></td>
<td>Given to you free of charge by your coach/mentor</td>
<td>30.7</td>
</tr>
<tr>
<td></td>
<td>Made personally by you</td>
<td>9.9</td>
</tr>
<tr>
<td>Business coaching sessions were mainly:</td>
<td>Flexible from session to session</td>
<td>45.9</td>
</tr>
<tr>
<td></td>
<td>Unstructured</td>
<td>34.4</td>
</tr>
<tr>
<td></td>
<td>Structured</td>
<td>19.7</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>3.3</td>
</tr>
<tr>
<td>Business Coaching Engagement</td>
<td>Agreed outcomes/deliverables at commencement</td>
<td>61.4</td>
</tr>
<tr>
<td></td>
<td>Did not agree outcomes/deliverables at commencement</td>
<td>38.6</td>
</tr>
<tr>
<td>Business coaches’ experience</td>
<td>Owned a business</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>Worked for a corporate enterprise</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>Partnered in a business</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Sold a business</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Publicly listed a business</td>
<td>19</td>
</tr>
<tr>
<td>Main reason for engaging a business coach</td>
<td>Grow business</td>
<td>19.2</td>
</tr>
<tr>
<td></td>
<td>Better manage business processes</td>
<td>18.2</td>
</tr>
<tr>
<td></td>
<td>Expand your thinking</td>
<td>17.2</td>
</tr>
<tr>
<td></td>
<td>Increase skills/knowledge</td>
<td>13.1</td>
</tr>
<tr>
<td></td>
<td>Increase your performance</td>
<td>11.1</td>
</tr>
<tr>
<td></td>
<td>Develop your potential</td>
<td>8.1</td>
</tr>
<tr>
<td></td>
<td>Change your behaviour</td>
<td>5.1</td>
</tr>
<tr>
<td></td>
<td>Better manage staff relationships</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>4.0</td>
</tr>
<tr>
<td>Percentage growth attributed to business coaching</td>
<td>0%</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>1 - 5%</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>6 - 10%</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>11 – 20%</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>21 – 30%</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>31 – 100%</td>
<td>11</td>
</tr>
</tbody>
</table>
**Procedure and Measures**

An online cross-sectional questionnaire was utilised tapping company demographics, growth generators, entrepreneur characteristics, and experiences with business coaching (Appendix 6.1 *Fast-Growth 100 Questionnaire*). The questionnaire was labeled to ensure that meanings (e.g., coach, mentor) were clearly worded to avoid common methods bias (Podsakoff et al., 2003). Before completing the questionnaire, participants agreed to have their data publicly available for publication and research purposes. Participants completed the questionnaire and returned by email. Incomplete questionnaires with less than 50% of data are excluded and missing data dealt with using the SPPS Maximum Likelihood function of replacing missing values at random. For the calculation of average growth rate ranking, participants provided audited revenue figures over four consecutive financial periods, with the fourth year used as a baseline. The following formula is used to calculate average revenue growth:

\[
\text{Average growth} = \frac{\sum (\text{Year 4} - \text{Year 3}) + (\text{Year 3} - \text{Year 2}) + (\text{Year 2} - \text{Year 1})}{\text{Year 3} \text{ Year 2} \text{ Year 1}}
\]

Questions on business coaching comprise four variables: business coaches’ role, business coaching session focus, business coaching result, and entrepreneurs’ business coaching satisfaction. Measured on 7-point scales, questionnaires used measures which were developed during the exploratory Study 2 of this research and additional measures. Table 6.8 shows business coaching variables and related items on business coaching contained in the questionnaire.

*Business coach role* (1=not at all to 7=always) builds on the work of a number of authors (Drucker, 2005; Leonard & Swap, 2005; Witherspoon & White, 1997) which suggests that responsiveness and empathic feedback, coupled with expert knowledge, are the hallmark of effective business coaches.

*Business coaching session focus* (1=not at all to 7=always) establishes further the validity of the conceptual framework for co-dependent function of firms (Figure 3.1) which was based on previous research and shown to participants in Study 1 (Delmar et al., 2003; Finkelstein et al., 2007; Leonard & Swap, 2005).
Business coaching result (1=totally disagree to 7=totally agree) embraces a number of factors that could influence tangible and intangible outcomes (Dawdy, 2004; Kauffman & Bachirova, 2008; Leedham, 2005; Ludeman & Erlandson, 2004).

Business coaching satisfaction (1=totally dissatisfied to 7=extremely satisfied) encompasses a number of aspects that collectively make the relationship perceived as one of value (Clutterbuck & Megginson, 1999; Fanasheh, 2003; Leedham, 2005).

Table 6.8 Survey Variables, Questions and Related Items on Business Coaching

<table>
<thead>
<tr>
<th>Variable</th>
<th>Question</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business coach role</td>
<td>To what degree did your business coach play the role of:</td>
<td>(a) Sounding board <em>(e.g. open/honest feedback)</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) Listener <em>(e.g. empathy, encouragement)</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Counsellor <em>(e.g. analysed problems)</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(d) Advisor <em>(e.g. expert knowledge, skills)</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e) Network facilitator <em>(e.g. access to others)</em></td>
</tr>
<tr>
<td>Business coaching</td>
<td>The main focus of your coaching sessions was on:</td>
<td>(a) Vision/strategy/goals/environment</td>
</tr>
<tr>
<td>session focus</td>
<td></td>
<td>(b) Customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Production <em>(e.g. create/ manufacture)</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(d) Processes <em>(e.g. method/procedures)</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e) People <em>(e.g. leadership/managing/culture)</em></td>
</tr>
<tr>
<td>Business coaching</td>
<td>As a result of business coaching you are now able to:</td>
<td>(a) Make better decisions</td>
</tr>
<tr>
<td>result</td>
<td></td>
<td>(b) Have more ideas/options to deal with issues</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Achieve your objective/goals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(d) Have greater self awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e) Understand your strengths/weaknesses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(f) Know your development needs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(g) Have a more positive attitude towards life</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(h) Have a greater degree of confidence that your business will succeed</td>
</tr>
<tr>
<td>Business coaching</td>
<td>To what extent were you satisfied with your business coaching experience?</td>
<td>(a) Period/length of business coaching</td>
</tr>
<tr>
<td>satisfaction</td>
<td></td>
<td>(b) Delivery method of your sessions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) Your relationship with your coach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(d) Your business coach’s style and approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e) The role/s your business coach played</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(f) The outcome of business coaching</td>
</tr>
</tbody>
</table>

Table 6.9 shows level of confidence variables and related items contained in the questionnaire. Entrepreneur level of confidence was measured on 7-point scales for effects of entrepreneur locus-of-control and self-efficacy (1=not at all true to 7=exactly true) on firm growth. Based on recommendations by Schwarzer and Jerusalem (1995) the self-efficacy
scale items used for level of confidence were interspersed with five locus-of-control items (Ferguson, 1993).

Table 6.9 Survey Variables, Questions and Related Items on Entrepreneur Level of Confidence

<table>
<thead>
<tr>
<th>Variable</th>
<th>Question</th>
<th>Item</th>
</tr>
</thead>
</table>
| General Self-Efficacy * | To what extent is it true that: | (a) I can always manage to solve difficult problems if I try hard enough.  
(b) If someone opposes me, I can find the means and ways to get what I want.  
(c) It is easy for me to stick to my aims and accomplish my goals.  
(e) I am confident that I could deal efficiently with unexpected events.  
(g) Thanks to my resourcefulness, I know how to handle unforeseen situations.  
(i) I can solve most problems if I invest the necessary effort.  
(j) I can remain calm when facing difficulties because I can rely on my coping abilities.  
(l) When I am confronted with a problem, I can usually find several solutions.  
(m) If I am in trouble, I can usually think of a solution.  
(o) I can usually handle whatever comes my way. |
| Locus-of-Control    | To what extent is it true that: | (d) The world is run by a few people in power and there’s not much I can do about it.  
(f) Growing my business depends on being in the right place at the right time.  
(h) It is difficult to have much control over the things politicians do in office.  
(k) Many times I feel as though I have little influence over what happens to me.  
(n) It is not always wise to plan too far ahead because many things turn out to be a matter of good and bad fortune anyway. |

*General self-efficacy items interspersed with locus-of-control statements

Data Analysis

Data are analysed principally by CFA procedures using AMOS 17.0, and involving a Maximum Likelihood (ML) estimation method. SEM explains the amount of variance of the model and is used to simultaneously examine dependent relationships between measured variables and several latent constructs.
**Instrument Validation**

All constructs are tested for reliability, validity, and fit. Based on an assessment of CFA fit statistics, measurement models are further refined. Table 6.10 shows the correlations and descriptive statistics of model constructs.

Table 6.10 *Correlation Matrix, Mean Scores and Standardised Deviations*

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Role</td>
<td>6.05</td>
<td>0.99</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Session Focus</td>
<td>4.56</td>
<td>1.42</td>
<td>.15</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Result</td>
<td>5.44</td>
<td>1.16</td>
<td>.23*</td>
<td>.44*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Satisfaction</td>
<td>5.82</td>
<td>0.79</td>
<td>.30*</td>
<td>.17</td>
<td>.45*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Locus-of-control</td>
<td>3.25</td>
<td>1.25</td>
<td>.01</td>
<td>.12</td>
<td>-.05</td>
<td>.01</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Locus-of-control</td>
<td>3.25</td>
<td>1.18</td>
<td>.03</td>
<td>.13</td>
<td>-.05</td>
<td>0</td>
<td>.26</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Self-efficacy</td>
<td>6.06</td>
<td>0.69</td>
<td>.33*</td>
<td>0</td>
<td>.19</td>
<td>.16</td>
<td>-.18</td>
<td>-.17</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>8. Growth</td>
<td>3.04</td>
<td>1.39</td>
<td>.08</td>
<td>-.07</td>
<td>-.19</td>
<td>.11</td>
<td>-.05</td>
<td>-.09</td>
<td>.17</td>
<td>1</td>
</tr>
</tbody>
</table>

*Note: *p<.05,**p<.01*

However, causal conclusions cannot be automatically drawn from correlational data as there might be other competing models with a different interpretation (Hox & Bechger, 1998). Independent sample *t*-tests reveal non-significant differences on measures of self-efficacy (e.g., *To what extent is it true that I can always manage to solve difficult problems if I try hard enough*) and locus-of-control (e.g., *To what extent is it true that the world is run by a few people in power and there’s not much I can do about it.*) between entrepreneurs who engaged business coaches versus those not engaging business coaches.

**Construct Reliability**

Table 6.11 shows the measurement properties of constructs. Instrument validation proceeded through three steps: calculation of construct reliability, estimation of variance extracted, and evaluation of construct validity. Construct reliability, a measure of consistency, assesses the degree to which items are free from random error (Edwards & Bagozzi, 2000). Indicator and composite reliability are two measures of construct reliability (Fornell & Larcker, 1981). While indicator reliability represents the proportion of variation that is explained by a construct it purports to measure, composite reliability reflects the internal consistency of indicators (Werts, Linn, & Jöreskog, 1974).
Table 6.11 *Confirmatory Factor Analysis*

<table>
<thead>
<tr>
<th>Constructs</th>
<th>α</th>
<th>Construct Reliability</th>
<th>Variance Extraction</th>
<th>Standardised Loadings</th>
<th>Indicator Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role</td>
<td>.79</td>
<td>.79</td>
<td>.66</td>
<td>.86</td>
<td>.73</td>
</tr>
<tr>
<td>• Sounding board</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Listener</td>
<td></td>
<td></td>
<td></td>
<td>.74</td>
<td>.55</td>
</tr>
<tr>
<td>Session Focus</td>
<td>.73</td>
<td>.79</td>
<td>.50</td>
<td>.76</td>
<td>.58</td>
</tr>
<tr>
<td>• Vision/strategy/goals</td>
<td></td>
<td></td>
<td></td>
<td>.64</td>
<td>.41</td>
</tr>
<tr>
<td>• Customers</td>
<td></td>
<td></td>
<td></td>
<td>.58</td>
<td>.33</td>
</tr>
<tr>
<td>• Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result</td>
<td>.75</td>
<td>.78</td>
<td>.64</td>
<td>.87</td>
<td>.75</td>
</tr>
<tr>
<td>• Achieve your objective/goals</td>
<td></td>
<td></td>
<td></td>
<td>.72</td>
<td>.52</td>
</tr>
<tr>
<td>• Have a greater degree of confidence that your business will succeed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>.79</td>
<td>.92</td>
<td>.80</td>
<td>.85</td>
<td>.72</td>
</tr>
<tr>
<td>• Your coach’s style and approach</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The role/s your coach played</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The outcome of business coaching</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locus-of-Control (internal)</td>
<td>.49</td>
<td>.49</td>
<td>.32</td>
<td>.56</td>
<td>.32</td>
</tr>
<tr>
<td>• Growing my business depends on being in the right place at the right time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• It is not always wise to plan too far ahead because many things turn out to be a matter of good and bad fortune anyway</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locus-of-Control (external)</td>
<td>.51</td>
<td>.64</td>
<td>.50</td>
<td>.91</td>
<td>.82</td>
</tr>
<tr>
<td>• It is difficult to have much control over the things politicians do in office</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Many times I feel as though I have little influence over what happens to me</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-Efficacy</td>
<td>.82</td>
<td>.83</td>
<td>.50</td>
<td>.75</td>
<td>.55</td>
</tr>
<tr>
<td>• I can always manage to solve difficult problems if I try hard enough</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• I can solve most problems if I invest the necessary effort</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• If I am in trouble, I can usually think of a solution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• I can usually handle whatever comes my way.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In the present study, indicator reliability values range between .19 and .96, and all composite reliability values exceed the recommended value of .7 (Nunnally & Bernstein, 1994), except for two constructs locus-of-control (internal) and locus-of-control (external).

**Variance Extracted Estimate**

Variance extracted estimate reflects the overall amount of variance in indicators accounted for by a latent construct (Fornell & Larcker, 1981). In this study, all estimates exceed the recommended value of .5 (Hair et al., 2006) except for the locus-of-control (internal) construct.

**Construct Validity**

Construct validity is established by measuring convergent and discriminant validity of measurement items (Straub, 1989). Convergent validity assesses the consistency across multiple operationalisations. Values for t-statistics for all factor loadings are significant (all $p_s < .001$), indicating that measures satisfy convergent validity criteria (Gefen, Straub, & Bourdreaux, 2000). According to Fornell and Larcker (1981), average variance extracted for each construct should be greater than the squared correlation between constructs when assessing for discriminant validity, and the extent to which different constructs diverge from one another. In this sample, results suggest that items share more common variance with related than non-related constructs, with all constructs meeting this criterion.

Confirmatory and full structural model fit are assessed using multiple indices (Hair et al., 2006), including the ratio of $\chi^2$ to degrees of freedom ($\chi^2$/df) (Jöreskog, 1978), comparative fit index (CFI), Tucker-Lewis Index (TLI), root mean-square error of approximation (RMSEA), and standardized root mean-square residual (SRMR). A $\chi^2$/df ratio of below 3 indicates sound fit (Carmines & McIver, 1981). Values of CFI and TLI above .90 are considered a good fit (Hair et al., 2006). A RMSEA of .09 or less indicates a close fit (Hu & Bentler, 1999), and SRMR should be less than .08 (Hair et al., 2006). All seven one-factor congeneric measurement models tested are found to meet these criteria.
Analysis of Results

Given the acceptable measurement models, a full latent variable structural model is estimated (Anderson & Gerbing, 1988) using the same set of Goodness-of-Fit (GFI) criteria to test the structural model and respective hypotheses (Browne & Cudeck, 1993). When the number of observations are relatively small, the model will always be accepted despite the poor fit. Alternatively, when the sample is relatively large, the statistical tests will most likely be significant. However, the Tucker-Lewis Index adjusts for the complexity of a model and GFI (Hox & Bechger, 1998). Table 6.12 summarises results of directional hypothesis testing, revealing reliable and robust fit between the theoretical model and sample covariances: $\chi^2(111)=162.408$, $p=.019$, $\chi^2/df=1.266$, CFI=.943, TLI=.929, SRMR=.078, and RMSEA=.052. These indices suggest a good fit.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Standardized Parameter Estimate</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁a: Role → Focus</td>
<td>.26**</td>
<td>Supported</td>
</tr>
<tr>
<td>H₁b: Role → Locus-of-control (internal)</td>
<td>-.03</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H₁c: Role → Locus-of-control (external)</td>
<td>.04</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H₁d: Role → Self-efficacy</td>
<td>.37***</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂a: Session Focus → Result</td>
<td>.61***</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂b: Session focus → Locus-of-control (internal)</td>
<td>.39*</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂c: Session focus → Locus-of-control (external)</td>
<td>.60**</td>
<td>Supported</td>
</tr>
<tr>
<td>H₃a: Result → Satisfaction</td>
<td>.52***</td>
<td>Supported</td>
</tr>
<tr>
<td>H₃b: Result → Locus-of-control (internal)</td>
<td>-.31</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H₃c: Result → Locus-of-control (external)</td>
<td>-.72**</td>
<td>Supported</td>
</tr>
<tr>
<td>H₄a: Result → Self-efficacy</td>
<td>.24*</td>
<td>Supported</td>
</tr>
<tr>
<td>H₄b: Satisfaction → Locus-of-control (internal)</td>
<td>.04</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H₄c: Satisfaction → Locus-of-control (external)</td>
<td>.19</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H₄d: Satisfaction → Self-efficacy</td>
<td>-.07</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H₅a: Locus-of-control (internal) → Growth</td>
<td>-.07</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H₅b: Locus-of-control (external) → Growth</td>
<td>.13</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H₅c: Self-efficacy → Growth</td>
<td>.19*</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note:*p<.10,**p<.05,*** p<.01.

As shown in Table 6.12, results show that while the business coaching role has significant positive relationships with session focus and self-efficacy, supporting H₁a and H₁d, it has no significant influence on locus-of-control (internal) and locus-of-control (external), failing to support H₁b and H₁c. Session focus has a significant positive effect on locus-of-
control (internal), locus-of-control (external), and self-efficacy, supporting H2a, H2b, and H2c. While the business coaching result impacts significantly and positively on satisfaction and self-efficacy, supporting H3a and H3d, this dimension demonstrates a significant negative association with locus-of-control (external), supporting H3c, but fails to support H3b, with a non-significant link to locus-of-control (internal). Satisfaction with coaching has a non-significant impact on locus-of-control (internal), locus-of-control (external), and self-efficacy, failing to support H4a, H4b, and H4c. Self-efficacy is related positively to growth, supporting H5c. But both locus-of-control (internal) and locus-of-control (external) have non-significant relationships with growth, failing to support H5a and H5b.

Figure 6.2 shows significant relationships between variables (the solid lines) and percentage of variance explained by the hypothesised model for each endogenous variable. Squared multiple correlation (SMC) values, which are the communalities of the variables and similar to multiple $R^2$ in multivariate regression analysis (Hox & Bechger, 1998), show that...
this model accounts for 7% of the variance in business coaching session focus, 37% of the variance in result of business coaching, 27% of the variance in entrepreneurs’ satisfaction with business coaching, 10% of the variance in locus-of-control (internal), 32% of the variance in locus-of-control (external), 20% of the variance in self-efficacy, and 6% of the variance in growth.

**Discussion**

The objective of this study is to address the principal question of whether business coaching directly or indirectly enhances firm growth. By systematically evaluating linkages between a number of pertinent factors on business coaching (business coaches’ role, coaching session focus, outcome results of coaching, entrepreneurs’ satisfaction with coaching), and entrepreneurs’ level of confidence (locus-of-control, self-efficacy), firm growth, in terms of financial performance, is demonstrated.

Drilling down into the hypothesised model reveals that business coaches acting as sounding boards and effective listeners, tend to focus during coaching sessions on vision, goals, strategy, customers, and production, thereby empowering entrepreneurs’ self-efficacy, and ultimately leading to firm growth. One explanation for these findings concerns the possibility that entrepreneurs with low levels of confidence seek the services of business coaches. Notwithstanding, comparisons between cohorts reveal no significant variations on locus-of-control and self-efficacy measures, thus ruling out the possibility of competing hypotheses. Confirmatory factor analytic techniques establish clear links between business coaching elements (coaches’ style, session focus, result, satisfaction), entrepreneurial level of confidence (locus-of-control, self-efficacy), and firm growth. SEM techniques suggest the outcome of business coaching is a direct influencer of entrepreneurial self-efficacy and a non-direct influencer of firm growth.

The positive effects from the focus of business coaching sessions and coaching results leading to entrepreneur satisfaction, are consistent with Anderson et al. (2002), Homan et al. (2002), and Phillips (2008), indicating that entrepreneurs benefit from the support and expertise of business coaches. The business coaches’ roles of listener and sounding board, that is, the ability to focus completely on the entrepreneur, understand meanings within the context of the situation, and support entrepreneurs’ self-expression (Auerbach, 2005), are
supported by this study. Findings affirm that business coaching is beneficial when built on partnerships embracing trust and rapport, with coaches and entrepreneurs working collaboratively together (Clutterbuck & Megginson, 1999), and where relationships are such that entrepreneurs feel free to express what comes to mind without fear of judgment or reprisal, thus increasing the likelihood of satisfaction (Witherspoon & White, 1996). Additionally, business coaches providing wisdom and expertise to guide the focus of business coaching sessions, assists entrepreneurs to understand competitive challenges, evaluate alternatives, and lessens the propensity to make mistakes by implementing sound decisions in order to attain results (Bunker et al., 2002; Clegg et al., 2005; Cooper & Quick, 2003).

Self-efficacy outcomes are of particular interest and affirm Kets de Vries and Korotov’s (2007b) reasoning that business coaches support entrepreneurs by working with their strengths, which builds self-confidence, thus enabling entrepreneurs to face operational and environmental issues. Forbes (2005) held that entrepreneurs with strong self-efficacy believe in decisions involving their own abilities, while Jerusalem and Schwarzer (1992) asserted that self-efficacy as a personal resource forms a buffer against stress, anxiety, and burnout. Alternatively, entrepreneurs with certain personality traits and moderate self-efficacy might benefit from the support provided by business coaches (Stewart et al., 2008). It is suggested that the style of coaching, together with trusting relationships and rapport built between coaches and entrepreneurs, can have a positive effect on entrepreneurs’ emotional intelligence (Sullivan, 2006).

Findings that outcome results from coaching have a negative effect on external locus-of-control are consistent with Begley (1995) and Boone et al. (2000) who identified externally-orientated entrepreneurs as high risk takers and more likely to go bankrupt. In contrast, internally-orientated entrepreneurs are more likely to display leadership styles to control outcomes (Boone et al., 1996), supporting the findings of Hansemark (2003) that locus-of-control has predictive validity of entrepreneurial activity. However, the outcome of the present analysis is in line with Boone and de Brabander (1993), showing that locus-of-control is not related significantly to firm growth, instead being a reflection of situations rather than of performance. In line with Bush (2005), the interwoven nature of business coaching elements suggest that when entrepreneurs are motivated and committed to working
on results with coaches they trust, firm growth naturally follows. Therefore, the present research supports the findings of Leedham (2005) that coaching relationships, through internal and external personal benefits, leads to business results.

Limitations associated with this study and recommendations for Study 4 are presented next.

**Limitations and Recommendations**

There are four main limitations associated with Study 3: the present cross-sectional survey; a relatively small sample size; construct reliability; and common methods bias. This study is cross-sectional, providing only a snapshot of factors influencing firm growth. The non-longitudinal nature means that causal relationships between variables cannot be implied as other factors might have influenced growth. Nevertheless, it is noteworthy that 80% of entrepreneurs attribute up to 30% of their firm growth to business coaching.

While SEM with maximum likelihood estimation was employed using 100 participants, the relatively small sample size could have influenced the statistical power of this method used to examine inter-relationships between variables. Samples of at least 200 participants are recommended as a sound basis for estimation (Hair et al., 2006). Moreover, causal interpretation cannot be assumed as a result of using SEM (Hox & Bechger, 1998). Relatively low Cronbach alphas and construct reliabilities for locus-of-control scales could have been influenced by the present results (Hill & McGowan, 1999). However, these statistics can be attributed to each of the locus-of-control constructs having only two items following the application of one-factor congeneric measurement models. Construct reliability of locus-of-control scales range between .49 and .64. Moreover, Cronbach’s alpha statistics ranged between $\alpha = .49$ and $\alpha = .51$. Nevertheless, taking a deductive positivist approach to statistically analyse data and predict events, quantitative measures can lose the essence of the respondent’s intent (Hill & McGowan, 1999).

In addition to the limitations above, it should also be noted that Hawthorne Effect may have contributed to the results, that is, entrepreneurs reporting positively because of the attention provided to them by business coaches that they might not have received from other sources (Carey, 1967). Common method variance might occur owing to potentially biasing factors with self reports as a result of social desirability due to entrepreneurs’ acquiescence
by agreeing with everything (Spector, 2006). To eliminate common method variance, Spector (2006) advised researchers to analyse the purpose and the desired inference to be attained from questions to ensure that self-reporters are clear about what is expected of them. Therefore, by adopting a triangulated approach, quantitative research findings on business coaching could be corroborated by collecting additional qualitative data on entrepreneurs’ experiences, thus reducing common methods bias (Creswell, 2003).

In conclusion, Study 3 establishes a model of business coaching factors that facilitate firm growth, as well as proposes a systematic and comprehensive method of measuring outcome evaluation. Further, the present investigation lays a solid foundation for conducting qualitative research to verify these findings in Study 4.

Following next is the aim, research design, methodology, findings, and discussion of Study 4.
CHAPTER 7: STUDY 4

IN-DEPTH EXPLORATION OF FAST-GROWTH ENTREPRENEURS EXPERIENCES OF BUSINESS COACHING

Overview

Chapter 7 reports on the findings of Study 4, involving fast-growth SME entrepreneurial leaders, and utilises qualitative research methods (Table 7.1). Study 4 corroborates findings from Study 3 by collecting additional data on entrepreneurs’ business coaching experiences. Beginning with the research design and methodology, including a description of participants, measures, and data collection procedures, the present chapter concludes with a discussion of findings and limitations.

Table 7.1 Design of Study 4: In-depth Exploration of Fast-Growth Entrepreneurs’ Experiences of Business Coaching

<table>
<thead>
<tr>
<th>Aim</th>
<th>Research Question</th>
<th>Method</th>
<th>Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>To corroborate findings from Study 3 by exploring entrepreneurs’ experiences</td>
<td>What are the experiences of fast-growth entrepreneurs when receiving business coaching?</td>
<td>Semi-structured telephone interviews involving entrepreneurs of fast-growth SMEs</td>
<td>SME entrepreneurs business coached (n=39)</td>
</tr>
</tbody>
</table>

The aim of Study 4 is to extend and corroborate findings from Study 3 by collecting data on entrepreneurs’ business coaching experiences. Questions addressing the cohort of entrepreneurs who received business coaching in Study 3, quantitatively establish the role of business coaching, entrepreneur self-efficacy, and SME growth. During this stage of the research a cross-sectional sample from Study 3 are interviewed for their retrospective views on business coaching. The question addressed in Study 4 is: What are the experiences of fast-growth entrepreneurs when receiving business coaching?

Research Design

Study 4 takes an inductive qualitative approach, with a cross-section of entrepreneurs who participated in Study 3, in order to extend the findings of Study 3. Cavana et al. (2001) argued that while positivism remains objective owing to separation from participants during data gathering, human activities can lose meaning when reduced to numbers. Caracelli and
Greene (1993) advocated transforming data during statistical or thematic analysis to obtain an integrated depth of understanding, using overlapping conceptualisations of phenomena to guide qualitative methods for independent triangulation. Thus, Study 4 uses qualitative procedures, taking an interpretive stance to reconstruct understandings and meaning-making from iterations between participants and researcher (Johnson & Duberley, 2000). As Cavana et al. (2001) noted, interpretive methods allow researchers to experience realities in different ways and uncover the richness and complexity of entrepreneurs thinking and criticisms, by centering on subjectivity and relatively narrow foci through content analysis of interview data collected. Developing themes and analysing content according to constructs being investigated ensures consistency and validity during interpretation (Ryan & Bernard, 2000). Using a triangulated approach provides not only a balance between quantitative and qualitative data, but can lead to practical and theoretical evidence for advancing conclusions (Saunders et al., 2000).

Method

Participants

Participants are 39 self-nominated entrepreneurs who agreed to be interviewed following the completion of a questionnaire for the BRW Fast100 annual survey, findings of which are reported in Study 3. Table 7.1 shows firm characteristics of entrepreneurs who participated in the study, including industry sector, revenue turnover, percentage growth, number of employees, and year established.

Table 7.2 shows that participants represent a cross-section of industry sectors, reporting 53.8% of revenue turnover in the $500,000-$8 million range and 25.6% in the $8.1 million-$15 million bounds. In terms of percentage growth on revenue turnover from the previous year, 46.2% reported growth in the vicinity of 21-80%, while 43.6% reported growth in the 81-160% range. Most of the firms were established between the years 2000-2004 (71.8%), and employ up to 50 employees (76.9%).
Table 7.2 Firm Characteristics by Industry Sector, Revenue Turnover, Percentage Growth, Number of Employees, and Year Firm Established

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Item</th>
<th>Percentage (n=39)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Sector</td>
<td>• Information Technology, Communications</td>
<td>38.5</td>
</tr>
<tr>
<td></td>
<td>• Finance, Property</td>
<td>25.6</td>
</tr>
<tr>
<td></td>
<td>• Agriculture, Mining, Manufacturing, Construction, Transport</td>
<td>23.1</td>
</tr>
<tr>
<td></td>
<td>• Accommodation, Education, Health, Cultural, Personal</td>
<td>12.8</td>
</tr>
<tr>
<td>Revenue Turnover</td>
<td>• $490,000 - $8,000,000</td>
<td>38.4</td>
</tr>
<tr>
<td>(Australian dollars)</td>
<td>• $8,000,001 - $15,000,000</td>
<td>25.6</td>
</tr>
<tr>
<td></td>
<td>• $2,500,001 - $4,000,001</td>
<td>15.4</td>
</tr>
<tr>
<td></td>
<td>• $15,000,001 - $30,000,000</td>
<td>12.8</td>
</tr>
<tr>
<td></td>
<td>• $30,000,001 - $1,160,000,000</td>
<td>7.7</td>
</tr>
<tr>
<td>Percentage Growth</td>
<td>• 51 – 80%</td>
<td>33.3</td>
</tr>
<tr>
<td>on Revenue Turnover</td>
<td>• 81 – 120%</td>
<td>28.2</td>
</tr>
<tr>
<td>from Previous Year</td>
<td>• 121 – 160%</td>
<td>15.4</td>
</tr>
<tr>
<td></td>
<td>• 21 – 50%</td>
<td>12.8</td>
</tr>
<tr>
<td></td>
<td>• 161 – 650%</td>
<td>10.3</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>• 2 – 20 employees</td>
<td>38.5</td>
</tr>
<tr>
<td></td>
<td>• 21 – 50 employees</td>
<td>38.5</td>
</tr>
<tr>
<td></td>
<td>• 51 – 75 employees</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td>• 76 – 100 employees</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td>• 101 – 200 employees</td>
<td>7.6</td>
</tr>
<tr>
<td>Year Firm Established</td>
<td>• Year 2000 - 2004</td>
<td>71.8</td>
</tr>
<tr>
<td></td>
<td>• Year 1990 - 1999</td>
<td>17.9</td>
</tr>
<tr>
<td></td>
<td>• Year 1953 - 1989</td>
<td>10.3</td>
</tr>
</tbody>
</table>

**Procedures**

Interviews were conducted over the telephone for periods between 15-30 minutes duration. Prior to the start of interviews, entrepreneurs were advised that the interviewer was the researcher who is analysing the questionnaire previously sent to them, and asked whether they would consent to answering further questions about their experiences with business coaching. Entrepreneurs were advised that if they agreed to be interviewed, the conversation was to be tape-recorded for research purposes, with data collected for this thesis investigation collated and reported anonymously.
Interview questions tapped entrepreneurs’ need for business coaching, their perception of the experience, and the contribution business coaches made to firm growth. Table 7.3 outlines the eight general themes explored and related interview questions.

Table 7.3 General Themes Explored and Related Interview Questions

<table>
<thead>
<tr>
<th>Business Coaching Theme</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneur Need</td>
<td>What prompted you to engage a business coach?</td>
</tr>
<tr>
<td>Contribution to Growth</td>
<td>What was it about the business coaching that contributed to your growth?</td>
</tr>
<tr>
<td>Style of Business Coaching</td>
<td>How would you describe your business coach’s style?</td>
</tr>
<tr>
<td>Coaching Tools/Frameworks</td>
<td>What tools, models or frameworks did the business coach use during your sessions?</td>
</tr>
<tr>
<td>Outcome Measurement</td>
<td>How did you measure the effectiveness of business coaching?</td>
</tr>
<tr>
<td>Memorable Features of Coaching</td>
<td>What was it about the business coaching that really stands out for you?</td>
</tr>
<tr>
<td>Other Business Coaching Experiences</td>
<td>Is there anything else you would like to tell me about business coaching?</td>
</tr>
<tr>
<td>Part of a Training/Peer Group</td>
<td>If business coaching was part of training/peer group, could you tell me about that?</td>
</tr>
</tbody>
</table>

Interview material was firstly transcribed, then content analysed for common themes based on pre-defined constructs to minimise interpretative analysis. An interpretive approach was used to reconstruct understandings and meanings from iteration between participants and researcher (Johnson & Duberley, 2000).

Analysis and discussion of the interviews follows.

**Analysis and Discussion**

As noted earlier, the aim of Study 4 is to extend findings emanating from Study 3 by collecting additional data on entrepreneurs’ business coaching experiences through telephone interviews. The following analysis and discussion consists of relevant quotes from entrepreneurs (n=39) which are taken as excerpts from fully transcribed material, and categorised according to the eight themes used for this investigation (coaching need, part of training/peer group, contribution to growth, coach’s style, coaching tools/frameworks, measurement, memorable features of coaching, other business coaching experiences).
Business Coaching Need

In the first question entrepreneurs were asked what prompted them to obtain a business coach. A high proportion of respondents (42%) engaged business coaches in order to increase their skills and knowledge, assist them to develop into their role of leading a firm, and to keep them accountable. Responses align with Leonard and Swap (2005) who indicated that entrepreneurs look for appropriate business coaches who can effectively pass on skills, experience, and knowledge. Further, Megginson et al. (2006) asserted that entrepreneurs seek experienced business coaches to work with them to attain milestones, reach market performance indicators, and achieve business goals.

I think it’s when you realise that you have got skills that need to be sharpened and there’s people out there with better skills and knowledge than you do, and so you try to suck as much value as you can out of them. It’s all about learning really (Case 12).

I’m good at my profession and the business developed and grew, then I realised that I didn’t know the business side of it because I had not had any business training at all (Case 14).

I’ve probably got a moronic financial background so those sort of things come natural to me. But it’s the other things like getting projects done and really growing a business are what I wanted to do. I believe that I achieved that by using them in keeping me on track (Case 32).

Other entrepreneurs (30%) sought business coaches who are experienced persons, acting as a guide with wisdom, and who could act as network contacts. Earlier research (Kram, 1988; Clutterbuck & Megginson, 1999) identified the benefits of business coaches acting as advocates who, through their network contacts, can give entrepreneurs introductions to significant others. The difference between having guidance and network contacts, and not being exposed to such opportunities, can mean that when firms need to raise capital, those that have established contacts have access to the necessary resources within a shorter time frame (Bhide, 2000). Moreover, the wisdom of experienced business coaches can provide insight and understanding to entrepreneurs enabling them to stay ahead of the competition (Leonard & Swap, 2005).
Just looking with completely fresh eyes to be able to give advice (Case 36).

Having someone there that can guide you and maybe not give you the answer, but just give you enough to think about things in a different way to address a particular problem (Case 13).

Someone that had lots of contacts with other businesses (Case 19).

Why not use their experiences as opposed to making the same mistakes myself (Case 28).

The remainder of entrepreneurs (28%) reported that their needs for business coaches were to ameliorate feeling isolated and lonely, and having someone to act as a sounding board, and give feedback. Whether it was for reasons of isolation, loneliness, or wanting feedback, a number of entrepreneurs noted having benefited from business coaches who listened to them and acted as sounding boards (Cooper & Quick, 2003).

It is lonely at the top and that’s really been fantastic to have the resource of somebody with broader experience than I have, somebody that I can confide in and bounce things off (Case 39).

I think realisation really that you get very isolated and you know, I think if you are closeted in this environment where unless you suck up a huge amount of knowledge on what’s going on outside in the environment, you are in danger of being static and that’s from an intellectual perspective and, I guess in addition, from a management perspective as well (Case 12).

I had the opportunity to ask a pile of questions and find out some feedback from him (Case 17).

Nobody’s got a moratorium on good ideas and processes and if you’ve got somebody that can challenge your own line of thinking then surely it’s got to be for a greater benefit (Case 23).

Overall, it seems that an ability to engender trusting relationships combined with knowledge, business experience, effective listening, and providing guidance and support, summed up the principal reasons entrepreneurs engaged business coaches. These responses are in line with the reasons provided in Study 3 for engaging business coaches to: expand thinking, develop potential (25.3%); increase skills, knowledge, performance (24.2%); grow the business (19.2%); and to better manage business processes (18.2%).
**Business Coaching Contribution to Growth**

As revealed in Study 3, entrepreneurs indicate that between 5%-50% of firm growth is attributable to business coaching received. When entrepreneurs were asked what it was about business coaching that contributed to their growth, 35% stated that key ingredients for their growth are the wisdom, experience, help and guidance from business coaches. Self-awareness can engender understanding for entrepreneurs of their strengths, weaknesses, and self-motivation within a contextual framework, and thus gain a more effective style of leadership (Drucker, 2005; Kets de Vries et al., 2007c; Korotov, 2007). Entrepreneurs with high levels of self-efficacy and perceived control over situations are more likely to achieve goals in the face of adversity than individuals who do not have these qualities (Markman et al., 2005).

*I think probably one of the things that helped me understand about myself was that I was a very driven individual and that although that can be very good, at times you need to understand how others can interpret that and they can potentially feel a little bit bullied or threatened. Even though, believe me there has never been that intent, but I can be a little bit intimidating at the end of the day (Case 3: contribution to firm growth 10%).*

*It was just around understanding the underlying issues of the business, day-to-day, and when they come up, and why they come up. It more or less helped us with what we were going through, such as frustration, and helped us to put it into context and they had models and things which we put into our business, and made life a lot easier because we now understand where we sit in there. And now we feel more comfortable about the way business is being performing (Case 27: contribution to firm growth 30%).*

Nearly a third of the participants (30%) said that firm growth came about because they were provided with the opportunity to consider other perspectives and options. Having the opportunity and time throughout the coaching process to reflect and assess their current direction and situation, from both personal and business perspectives, is an important aspect to entrepreneurs and one advocated by Clutterbuck and Megginson (1999) as a vital component within business coaching.
It allowed me to sit back and I look at it from a different perspective and maybe look at things in a slightly different way and learn to not to react to situations in a certain way and also to approach the way we were doing business in a more methodical and structured way (Case 13: contribution to firm growth 30%).

It forces you to look at your business. It makes you reassess your goals and it makes your direction clearer. It was hard. I had some business goals but I never had really looked at personal goals and I think that’s something that’s important as you are driving a business that there is also purpose in the end and that you do have personal goals (Case 39: contribution to firm growth 15%).

My business has had consistent growth and if I wasn’t getting personal coaching I probably wouldn’t have made some of the decisions that I made which allowed the company to grow. I would have probably made decisions that were based on some limited thinking or some fears that I had around capacity to grow you can only grow your business as fast as you can grow personally and a fast as you put the resources and the structure around providing those platforms for growth (Case 38: contribution to firm growth 50%).

A further 20% of the entrepreneurs said their growth came about because they gained a greater understanding of business, and experienced growth as managers. Managing firm growth and learning how to engage in high level thinking and conceptualisation relating to their firms as a result of business coaching seems to be of value to entrepreneurs (Chenault, 1987; Corman et al., 1988). Moreover, business coaching that is based on coach and entrepreneur working together, increases the likelihood of achieving outcomes (Witherspoon & White, 1996).

Certainly understanding the intricacies of business and how they operate has been quite valuable (Case 3: contribution to firm growth 10%).

It allowed me to sit back and I look at it from a different perspective and maybe look at things in a slightly different way and learn to not to react to situations in a certain way. And also to approach the way we were doing business in a more methodical and structured way (Case 13: contribution to firm growth 30%).

A relatively small proportion of entrepreneurs (15%) thought that business coaching benefited their personal development and understanding of self. Gaining self-efficacy is
reported as a significant contributor to firm growth with business coaching allowing individuals to move forward to pursue their dreams (Edwards, 2004). Business coaching focussing on positive outcomes for entrepreneurs can help them to acquire new skills, gain broader perspectives, experience advanced problem solving skills, and achieve overall performance improvement (Hall et al., 1999). Moen and Skaalvik (2009) asserted that the long-lasting effects of business coaching are positive changes in self-efficacy, with continued goal setting, and increased firm performance.

Motivation and perhaps the ability to believe in oneself (Case 34: contribution to firm growth 10%)

It’s like a whole heap of things fell into place and things took me personally to another level in my development which allowed me to take on the next evolutionary steps to make a difference (Case 25).

It forces you to look at your business. It makes you reassess your goals and it makes your direction clearer. It was hard. I had some business goals but I never had really looked at personal goals and I think that’s something that’s important as you are driving a business that there is also purpose in the end and that you do have personal goals (Case 39: contribution to firm growth 15%).

The importance of business coaches taking a holistic approach to the interconnected nature of personal and business growth was emphasized throughout these responses.

Style of Coaching

When describing their business coach’s style, 31% of the interviewees said that their business coaches were directive, structured, engaged in truth telling, and gave strong feedback. Direct communication can be learned by making a conscious effort to comprehend what others are saying or inferring, by responding appropriately so that the listener will not engage in defensive behaviour (Kets de Vries et al., 2007a). However, probably the most difficult aspect of communicating is not the propensity to talk, but rather the ability to listen with understanding and empathy (Covey, 1989).

Direct, subtle as sledgehammer, there’s no niceties, he calls it as it is Case 20).

He was confronting a lot, he speaks deeply from experience so I have a lot of respect for that. I think also that he listens and interprets in an interesting way (Case 33).
Sophisticated, educated, burrowing (Case 29).
She’s been there and done that. She takes no crap. She’s very confronting and honest (Case 25).
Very systematic and logic driven (Case 34).

A strong contrast was drawn with 27% of the entrepreneurs describing their business coach’s style as encouraging, relationship building, facilitative, and consultative. Clegg et al. (2003) espoused that business coaching is most effective when based on a collaborative relationship with a focus primarily on firm performance, business goals, and individuals’ contributions.

He wasn’t an autocrat in any way shape or form. He really was an encouraging person and a good facilitator (Case 15).
She has all the knowledge of the business right from inception, it just means that it cultivates that flow of communication. I really don’t think any style is better than another. It’s just simply what someone can elicit in participation and what of that is lasting (Case 36).
Very collaborative and very good communicator and good listener, encouraging and optimistic (Case 22).

A number of entrepreneurs (18%) said their coaches were reflective listeners and observers, with wisdom and honesty, acting as sounding boards. Individuals value empathic, non-judgmental listening (Edwards, 2004), as well as taking time to engage in personal reflective space, to gain increased clarity about situations before acting (Clutterbuck and Megginson, 1999). A combination of attentive listening, thought-provoking and direct questioning can help entrepreneurs externalise problems, gain awareness and new perspective, thus enabling them to move forward and identify new opportunities (Creane, 2006).

I think it’s his listening style which allows you to get off your chest what the issues are but he is able to fairly quickly zero in on the issues and knock you straight if you like so that you can make the decision and have the confidence to say okay, bite the bullet and move to the next step (Case 30).
I'd describe my coach’s style as very insightful and very deep capacity to hear what is going on for me and provide that sounding board for me to explore what’s going on for me. Yeah I could go on for about an hour on that but I won’t (Case 38).

A relatively small percentage of participants (16%) said they enjoyed the relaxed, unstructured style of their coaches. The relaxed, easy style of entrepreneurs can be an effective balance to entrepreneurs’ energy, creativity, and imagination which can drive them to obsessively pursue ideas and display destructive tendencies, at the expense of receiving advice (Kets de Vries, 1985).

Very much understated, very much an observer. Very much a person who has probably got a unique balance of left and right brain so can sort of sit and deal with it and show you how it’s done and at the same time can sit and be unnoticed and can observe and pick up on the sort of underlying messages or undertones that might be being given out in a certain situation (Case 13).

Appears to be up to date with current thinking and changing principles. Models and analogies are used a lot to convey the idea or principle with story telling being a strong tool as well. It is an informal atmosphere with a structured approach, easy going but you need to work (Case 5).

The remainder of the entrepreneurs (10%) responded that it was the business coaches' energy, enthusiasm, entrepreneurial nature, positive nature, and humour that contributed to their growth. The relationship between coaches’ personal attributes and skills was seen as important to coaching effectiveness (Leedham, 2005), together with the entrepreneurs’ values, origins, and character (Kilburg, 2000), in order to develop interpersonal skills and psychological self-awareness for the entrepreneur.

A lot of energy and very enthusiastic - something about the way he points out what you should do without humiliating you or making it a bad experience. So he is someone who can put a positive spin onto something that was actually quite a negative point. You need someone to point out where it’s not going well for you. But not sort of leave you kicked (Case 3).

Direct, humorous, has excellent communication skills and gets results (Case 4).

Collectively, the present responses support the business coaches’ role as that of a sounding board and listener (Study 3), albeit with different business coaching styles and
approaches. Findings indicate that the match between business coaches with entrepreneurs’ values and style of operating are essential (Clutterbuck & Megginson, 1999). However, it could be contended that differing styles between business coaches and entrepreneurs might work synergistically to provide alternative perspectives to situations.

**Tools/Frameworks of Business Coaching**

When entrepreneurs were asked what tools, models or frameworks their business coaches employed during their sessions, 41% of participants said their business coach did not use tools, instead they just talked, and this was beneficial because of the coach’s understanding of business. Some studies (Bush, 2005; Clutterbuck & Megginson, 1999) identified coaching to be effective when planning and preparation are well executed, and structured processes using tools and models were put into service.

*For me personally, the relationship was more about the experience, rather than any tools she was using to apply that (Case 16).*

*The framework isn’t a structured framework. It’s purely around, firstly, the first step of that is to make sure, and I talk from own experience, I try to make sure that I am present. It’s very easy to come and be somewhere else (Case 36).*

*None, it was by discussions. It was probably by example so there was no formality to it (Case 34).*

*None, the business is quite different to a lot of businesses, it's not something you can sort of pull out of a box (Case 9).*

In contrast to coaches not using frameworks, nearly a third of the entrepreneurs (31%) responded that their business coaches used proprietary models and tools. Assessment tools such as the **360-degree feedback**, multi-source pre- and post- instruments are used to compare executive self-perception of leadership style with that of, among others, colleagues, subordinates, and upper-management (Kets de Vries et al., 2007a); which are then used as a springboard for development (Goodstone & Diamante, 1998). Self-assessment tools such as the **Myers-Briggs Type Indicator** are employed to assist entrepreneurs understand their personality and that of others (Muchinsky, 2006).

*He could use, and he has a lot of tools to work on the business at a point in time if it is needed (Case 8).*
They have proprietary models. I guess everyone has their own adaptations (Case 27).

She uses primarily the tools of Neuro Linguistic Programming such as values, goal setting, and a belief change model (Case 4).

It’s a very commercial package like it’s a framework, tools where it’s De Bono’s model and a whole lot of other things I can’t really name (Case 29).

They had a lot of internal and proprietary type models. Most of the models were effectively, in terms of business, just breaking it down into three areas. So you have administration effectively, and then the actual business, and then you had what was called black areas which were more strategic issues (Case 2).

Sixteen percent of the entrepreneurs stated that their business coaches used a range of different, textbook type tools. Business coaches commonly use a wide variety of tools, methods, and approaches derived from the business management discipline, such as the SWOT Analysis (Stanford Research Institute, n.d.) as a means of determining firms’ strengths, weaknesses, opportunities, and threats.

I guess we would go through the key areas of the business and clients and how does that work, relationships formed, new opportunities and perform a SWOT on those through to internal management issues (Case 3).

There were some particular tools and I can’t even remember the name of them, a lot of them he has picked up from various business books (Case 19).

I’m sure he’s taken it from lots of text books and learnings he had but I’m not of the ability to give you a specific name for the style that he’s using (Case 33).

Interestingly, 11% of entrepreneurs indicated that their business coaches preferred to use whiteboarding, questioning, and role playing techniques. Mnemonics such as GROW (Goals, Reality, Options, When), are used to aid questioning of entrepreneurs in a positive manner and within the context of entrepreneurs’ awareness and willingness to take responsibility (Whitmore, 1996).

Our role was just really about, we just used to spend time on whiteboarding and dialogue, you know Q and A techniques (Case 15)

Very few. To be honest those sessions were I suppose time management to an extent to make sure we set our objectives and our goals (Case 32).
He doesn't. I see that he has a kit-bag of tools and he only uses them when he needs to. But often times he is just more responsive to the changing needs and the changing requirements we have got. He has a lot of tools but very much we just sit down and it's “okay, what's on today?” and we work from there (Case 8).

It's really been quite informal and driven a lot by my agenda but with some really challenging and very insightful questioning in there. And it is about questioning (Case 12).

It was apparent from the responses that a diverse range of tools, methods in approaches were used by business coaches. In some cases, entrepreneurs were unaware of the types of tools being used by business coaches, instead trusting that they were suitable to the task when in fact the approaches might not be valid (Grant, 2005).

**Business Coaching Outcome Measurement**

The area that entrepreneurs were less sure of, was evaluating the measurement of coaching outcomes. To the question on what was measured, more than a quarter of the entrepreneurs (27%) responded they were not sure, did not know, it was too difficult, or that they did not measure the effectiveness of business coaching received. As advanced by Witherspoon and White (1996) very few firms measure coaching results. However, responses suggest that entrepreneurs rely on ‘gut feel’ rather than the results of firm performance.

*Not sure you can measure it, I’m not sure that you can (Case 7).*

*Good question. It’s been often sort of top of mind, and I fluctuate in my mind whether it’s worth it or not. It goes up and down (Case 8).*

*How do you measure it? I don’t know. I mean I still apply the principles. It is six years since I started my own business and it will still come up that I’m using the principles today and passing that onto other people (Case 20).*

Surprisingly, a quarter of the participants (25%) were adamant they could measure coaching outcome through results, profits, winning work, and achieving contracts. These findings contradict assertions of Bolch (2001), and Fritsch and Powers (2006) that very few coaching outcomes are tracked or determined by ROI. McGovern et al. (2001) contended that all coaching should be measurable in some form or another.
We were winning work. It’s as simple as that, if you are not getting it coming through the door then you are in trouble (Case 3).

By results achieved such as improvements in performance or goals set and obtained (Case 4).

Financial results foremost and staff retention secondly (Case 11).

Well I measure it by the bottom line for sure but gaining the ability to gain new ideas and look at new ways to conduct ourselves in this industry, which we are doing all the time (Case 23).

We have identified and set five specific goals each with a different set of measurements, maybe one or two per goal. Things like being on time for meetings and not over committing, my own level of comfort and satisfaction, survey of my immediate team and ultimately impacting the bottom line (Case 5).

On measuring outcomes, a proportion of the entrepreneurs (21%) said it was through gut feel, peace of mind, life experiences, value judgement, and achieving personal goals. Laske (2004) asserted that results stem from the process of coaching whereby entrepreneurs’ mental-emotional growth has been supported, thus adding weight to the ‘gut feel’ by some of the entrepreneurs.

Only sort of anecdotally and in terms of the way we felt about it and the way it was driving us forward (Case 10).

For me it’s about how good I feel about it and about the decisions I can make after looking at or discussing things. I guess that’s not really very scientific but I think if you own and run a business there is a lot of what you do that you can’t measure (Case 12).

It’s more really an esoteric thing, just a gut feeling where we would say each meeting we having, each month are we getting value our of it (Case 19).

It was more of a sense of it rather than being something that was quantifiable as a whole (Case 29).

I guess a lot of what we do in the business is gut feel, so I guess this is gut feel so I just sort of know that me as a person, as an individual has developed considerably (Case 13).
Other entrepreneurs (17%) measured results from business coaching through implemented learning, applied principles, new ideas, and perceived effectiveness. Effectiveness can be perceived through both personal and business-related results (Bush, 2005). Kilburg (2000) contended that firm performance and growth could emanate from business coaching only if appropriate measures were put into place at the commencement of the engagement.

I guess in terms of a lot of things we spoke about I’d always walk away from the meeting and be hoping I would be able to implement them in the business (Case 26).

The effectiveness of the way I measured it with me in my new business was that I was able to embrace a skill set that I was then able to pass onto people who worked with me (Case 15).

We sort of have reviews where we look back every 12 months. And with a fast-growing business it is good to stop and look back, and see what happened over the last 12 months, and see where you might have stumbled, or you have worked on this and that knowledge and the journey that you have come through (Case 27).

The remainder of the participants (10%) used more intangible ways of measuring, such as constructive feedback, the positive impact they felt from the business, engaging in fresh thinking, and their increase in confidence. These responses indicate that perception is an important indicator of satisfaction with business coaching (Fanasheh, 2003).

I think it’s just something that if you feel it’s had a positive impact on you then it’s something you can continue with (Case 7).

The quality of my life has improved and that has translated into the quality of the business which has actually improved and that’s very measurable to me (Case 36).

I think it was just my peace of mind, my personal transformation and ability to be more aware of my state of being (Case 25).

While it has been estimated that less than 10% of coaching has any measure of ROI (Bolch, 2001), responses reveal that 25% of entrepreneurs are adamant that they tangibly measured the outcomes of the business coaching they received. Notwithstanding, while results can be measurable, other, more intangible perceptions of outcomes were evident, including personal behavioural development and mental-emotional growth (Kauffman & Bachkirova, 2008; Laske, 2004).
Memorable Features of Coaching

Slightly over one third of the participants (34%) said that business coaching was memorable because it provided them with foresight, perspective, advice, learning, insights, and was challenging. Entrepreneurs seek out business coaches for a number of reasons, but it would seem that the opportunity to gain an in-depth insight into performance is highly valued (Clutterbuck & Megginson, 1999). Bunker et al. (2002) pointed out that leaders who take counsel from others ensure they have the skill, ability, and emotional intelligence to foster relationships, and thus build firms that are sustainable.

If we had had the old thinking mentality we would have gone broke (Case 15).
It was all sorts of things really, but it was constantly challenging me to step up to a new level (Case 29).
The quality of my life has improved and that has translated into the quality of the business has actually improved and that’s very measurable to me (Case 36).
A completely different perspective on every single issue and also I think you have to be very brave to really, really look at yourself and in a critical light. I think this helps you to do that (Case 7).

In addition to knowledge and experience, 22% of the entrepreneurs highlighted that business coaching was memorable because of the results achieved, and the implementation of systems. Outcomes are dependent on a wide variety of factors, and can be evaluated from clearly physical, observable, and reliably measured events or alternatively from cognitive and emotional perspectives (Kauffman & Bachkirova, 2008; Ludeman & Erlandson, 2004).

It was comforting to know that I could call on somebody with vast experience that was there to help in whatever way I needed it (Case 37).
Just the experience and the knowledge. It’s such a difference when you are running a $5m business and you talk to someone who is running a $300m to $400m business. It’s a whole new perspective of thinking as well and that was just such a big highlight for me (Case 26).
There is a wealth of knowledge behind just that one coach that helps you (Case 21).
There was some really valuable information in their systems and the approach and way that we looked at the business and you know structured things accordingly. So I’d most definitely say the systems that they had available (Case 35).
For other participants (22%) it was their renewed sense of energy, drive, motivation, confidence, and focus to move forward that left a lasting impression. Entrepreneurs meeting with business coaches can provide them with the opportunity to talk through their business issues, find appropriate solutions, and lay the foundation for motivation to act (Cooper & Quick, 2003; Porter, 2000).

For me it was the fact that I had massive amount of respect for the individual both as a person and what they had achieved in their life. The energy and drive was contagious (Case 3).

It kept you back onto that track. So it steered you back onto where you wanted to be which was important if growing fast because there are so many opportunities (Case 32).

It gets you an extra level of confidence as you go along and you can tackle work and the daily challenges (Case 37).

It’s a continual realignment of having my mind in the right place to be able to execute the deals I want to do (Case 23).

Some entrepreneurs (22%) said the memorable features included the business coaches’ personality and willingness to engage in either structured or unstructured processes, and to share, be connected, provide support, and their ability to maintain confidentiality. Witherspoon and White (1997) espoused that responding to entrepreneurial needs and changing agendas are important coaching qualities. Similarly, Bush (2005) maintained that effective coaching emanates from business coaches and entrepreneurs taking shared responsibility for the relationship.

I think it is just the relationship and the knowledge of the business they now have, they can see some things are coming in from time to time, as it changes. It’s also someone to share with, you know, the growth and the aspirations (Case 9).

I think the reason it worked was because the relationship was really good (Case 16).

It’s just fantastic to have somebody that has your interests at heart that you can discuss your business with. You know, discussing it with staff or with other people in the business you don’t always get that objective feedback (Case 14).

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and to share, be connected, provide support, and their ability to maintain confidentiality. Witherspoon and White (1997) espoused that responding to entrepreneurial needs and changing agendas are important qualities. Similarly, Bush (2005) maintained that effective coaching emanates from business coaches and entrepreneurs taking shared responsibility for the relationship.

Other Business Coaching Experiences

At the end of the interview, entrepreneurs were asked whether they would like to say anything else about business coaching. Interestingly, 45% said they were committed to self improvement, learning, growth, and development. A number of investigations have previously reported that people committed to learning are more likely to achieve positive outcomes (Zeus & Skiffington, 2000).

I just think you need to be committed to self-improvement and learning particularly if your company is growing fast (Case 18).

If I was recommending it to anyone else I would certainly say not to hold back, to constantly grow and develop and learn personally and look for the right people and style to support you in that process and don’t just settle for less (Case 25).

No, other than you’ll only get out of it what you put into it. If you sit there and expect to learn everything, well it is not going to happen. But if you sit there and talk and let them facilitate your learning, well you will probably get a reasonable result (Case 2).

It is worth everything you put into it. It’s a different way of solving your problems (Case 24).

Additionally, 29% of the participants stated that having trust, a good relationship, and personal connection was critical to choosing the right business coach. Auerbach (2006) stated that the greater the established level of trust and intimacy within a relationship, the more likely it is that the use of powerful questioning, and active listening will be effective levers for behavioural change.

I think one of the things for me over the years that I’ve done is that I’ve really looked around and found people that connected with me and I think that’s probably made the biggest difference and I liken that to leveraging the relationship (Case 25).
You need to completely open up to this person with issues and business challenges. There needs to be a lot of trust (Case 5).

He’s really good at talking to people at heart and so we use him in that sense (Case 14).

Anybody who is thinking about employing a coach may need to find a couple of them before they find the right one. And I would very much recommend it. People should get into it (Case 16).

The remaining entrepreneurs (26%) stated they valued the business coaches’ help, feedback, business knowledge, and the opportunity to have a sounding board. These responses appear very positive towards business coaching, with the support of business coaches highly valued, someone they trusted and who they could rely on (Copper & Quick, 2003).

If you want to be successful you can’t do it on your own, you’ve got to get help along the way (Case 7).

I don’t think you can do it all on your own. Access the knowledge that is out there in the business community and you will be delighted in most cases I expect with the results (Case 33).

If nothing else, to get some real feedback on how you are doing or putting problems into perspective because it’s quite lonely sometimes and I don’t mean that in a personal sense. Who can you look to for help? (Case 12).

If I was recommending it to anyone else I would certainly say not to hold back, to constantly grow and develop and learn personally and look for right people and style to support you in that process and don’t just settle for it (Case 25).

Overall, entrepreneurs’ endorsement of business coaching would seem to indicate that the business coaching process is a worthwhile investment, in terms of time and money, for not only firm growth and achievement, but also for personal awareness and development.

**Business Coaching as Part of a Training/Peer Group**

Entrepreneurs who stated in Study 3 that business coaching was part of a training programme or a peer group programme (n=15), were asked to elaborate on their experience. Half of the entrepreneurs (50%) said that the benefits from attending training in conjunction
with business coaching, was in sharing experiences and ideas with other like-minded entrepreneurs. Entrepreneurs have different needs according to the stage of firm growth (Delmar et al., 2003). Therefore, entrepreneurs being able to speak with peers who they respect, can be beneficial when established non-competing business groups interact in both formal and informal settings (Sexton et al., 1997). According to Edwards (2004), individuals gain from situations in which they can voluntarily learn and expand their understanding.

_It gives me access to people who are in a similar business and personal space or life-space as I am and therefore they can talk more from experience and personal experience and that can be very powerful (Case 18)._  
_We help each other as a group, and it's all basically speaking from experience, so we can't give actual advice from the experiences that we have been through (Case 26)._  
_Basically I've been helicoptered into a group of CEOs, non-competing businesses where we all share. I've since found out that we all share very similar problems on a day-to-day business whether it is staffing issues or any particular sort of problems (Case 39)._  

A number of entrepreneurs (28%) replied that training/peer programmes provided them with an opportunity to learn new skills, and gain knowledge from speakers and facilitators. A firm’s culture develops from an entrepreneurial founder’s values, origins, and character, with change dependent on the interpersonal skills and psychological self-awareness of the leader (Covey, 1989; Kilburg, 2000). Learning from experienced people, compared to theoretical instruction, is said to translate into more effective management practices, and better customer relations (Deakins et al., 1988; Mumby-Croft & Brown, 2005). As pointed out by Nicholls-Nixon (2005), leaders build relationships with employees by sharing a clear company vision.

_As the coaching often involved strategies that related to the culture of the organisation, the best way to ‘train’ these people was by simply leading by example. Where the management lived and breathed the model of the coach then the culture of the organisation became obvious and quickly permeated throughout. The result of this was amazing (Case 11)._  
_There is a whole process of meeting people one-on-one, and networking nights. It’s a fabulous program (Case 30)._
A proportion of participants (22%) sought out peers in similar positions from non-competing organisations with whom to garner support, exchange knowledge, and further develop skills. Maitland (2006) asserted the value of training and peer group programmes is in networking and obtaining support. Peers from non-competing firms can benefit from interacting and learning from one another within a group environment (Cooper & Quick (2003).

We help each other as a group, and it's all basically speaking from experience, so we can give actual advice from the experiences that we have been through (Case 26).

Bouncing ideas off people and having that support is great (Case 22).

Collectively, an opportunity to learn from others helps entrepreneurs to realise that they are not alone in the challenges faced in running fast-growth firms, and that they could speak openly and objectively with peers.

**Summary and Limitations**

Study 4 aimed to extend the findings from Study 3, concentrating on entrepreneurs’ business coaching experiences, which seem to vary widely. For example, when asked what prompted them to seek out coaching, a number of entrepreneurs wanted business coaches’ experience and knowledge; others wanted to share points of view or ideas, while several sought business coaching for skills development. Relationships with business coaches are considered paramount by all entrepreneurs. Table 7.4 summarises interview responses by business coaching theme.

As shown in Table 7.4, interviews with entrepreneurs positively affirm business coaching experience with increased business performance and growth. When entrepreneurs were asked what contribution business coaching made to firm growth, 38% replied that it was the opportunity to use business coaches as sounding boards and motivators, enabling them to look at their firm from different perspectives. Another 21% of entrepreneurs nominated business coaches’ guidance, and providing advice and clarification as contributors to firm growth. Structured frameworks, tools, or models were used by 46% of business coaches, whereas 51% of business coaching was conducted informally with either no or little structure. When asked how they measured business coaching effectiveness, 36% of entrepreneurs said it was by results, achievement, and winning work. In contrast, 54% of
entrepreneurs noted that effectiveness was not measureable; rather it was more on how good they felt about the experience and their personal development.

Table 7.4 Summary of Interview Responses by Theme

<table>
<thead>
<tr>
<th>Business Coaching Theme</th>
<th>Responses</th>
<th>(n=39)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td><strong>Coaching Need</strong></td>
<td>• To increase skills and knowledge, develop into role, keep me accountable</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>• An experienced person, a guide, someone with wisdom, network contacts</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>• Feeling isolated, lonely, someone to act as a sounding board and give feedback</td>
<td>28</td>
</tr>
<tr>
<td><strong>Contribution to Growth</strong></td>
<td>• Contribution, wisdom, experience, help, guidance of coach</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>• Considering other perspectives and options</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>• Greater understanding of business, growth as managers</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>• Personal development and understanding of self</td>
<td>15</td>
</tr>
<tr>
<td><strong>Style of Coaching</strong></td>
<td>• Directive, structured, truth telling, strong feedback</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>• Encouraging, relationship building, facilitative, consultative, collaborative</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>• Listener, observer, wisdom, honesty, sounding board</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>• Relaxed, unstructured</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>• Energy, enthusiasm, entrepreneurial, positive, humour</td>
<td>10</td>
</tr>
<tr>
<td><strong>Tools/Frameworks of Coaching</strong></td>
<td>• None used: instead just talking, understanding business</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>• Proprietary models</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>• Lots of different text book type tools</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>• Very few used: more white-boarding, questioning, time management</td>
<td>11</td>
</tr>
<tr>
<td><strong>Outcome Measurement</strong></td>
<td>• Not sure, too difficult, not scientifically, I don’t know</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>• Results, profits, winning work, contracts, achieving</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>• Gut feel, peace of mind, life experiences, value judgement, personal goals</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>• Implemented learnings, applied principles, new ideas, effectiveness</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>• Productive feedback, positive impact, fresh thinking, increased confidence</td>
<td>10</td>
</tr>
<tr>
<td><strong>Memorable Features of Coaching</strong></td>
<td>• They provide foresight, perspective, advice, learning, insights, challenge</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>• Their experience, achievement, results, systems</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>• The energy, drive, motivation, confidence, focus</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>• Interest in you, sharing, connected, relationship, support, confidentiality</td>
<td>22</td>
</tr>
<tr>
<td><strong>Other Business Coaching Experiences</strong></td>
<td>• Committed to self improvement, learning, growth and development</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>• Having trust, relationship, connection, choosing the right one</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>• We all need help, feedback, business knowledge, sounding board</td>
<td>26</td>
</tr>
</tbody>
</table>
The present study does not support the assertion of McGovern et al. (2001) that all coaching should be measurable, nor Hall, Otazo, and Hollenbeck (1999) that all coaching follows a structured goal focussed, results orientated, and time limited process. Rather, present findings are in line with Laske (2004) and Leedham (2005), concluding that behavioural development, as opposed to bottom-line driven results, is enhanced through coaching, and that relationships between coaches’ personal attributes and skills is important to coaching effectiveness. Further, entrepreneurs seem to need to take time out to engage with an empathic listener, allowing them personal reflective space, thus gaining greater clarity about a situation before acting (Clutterbuck & Megginson, 1999). Entrepreneurs can also benefit in the role modelling displayed by business coaches, which helps them understand and correct behaviour and actions (Argyris, 2002).

Of the entrepreneurs (15%) who had received training or as part of a structured business coaching programme (Table 7.5), up to half of the responses affirm the value of being able to interact, network, and share experiences with peers. Gibb (1997) and Sexton et al. (1997) attest to the benefits of learning partnerships which encourages the opportunity for entrepreneurs to sharing relevant business challenges with others in similar situations, for the objective of building competencies, and providing insight for improvement or operating differently.

**Table 7.5 Summary of Interview Responses by Entrepreneurs’ Experiences**

<table>
<thead>
<tr>
<th>Business Coaching Theme</th>
<th>Responses</th>
<th>(n=15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part of a Training/Peer Group</td>
<td>• Sharing experiences and ideas</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>• Learning new skills and knowledge from speaker and facilitators</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>• Networking and obtaining support</td>
<td>22</td>
</tr>
</tbody>
</table>

Limitations to Study 4 include possible researcher bias and interpretation. Participants might have answered questions in a supposedly correct or socially desirable manner (Spector, 2006). However, interpretive methods allow researchers to develop themes and analyse content according to constructs being investigated (Cavana et al., 2001; Ryan & Bernard, 2000). Moreover, using a triangulated approach provided balance to the quantitative findings of Study 3 by providing cross-checking for internal consistency and
reliability (Jick, 1979; Saunders et al., 2000), thus advancing theoretical and practical conclusions.

Study 4 suggests that rather than focusing on bottom-line results, entrepreneurs sought mainly to absorb business coaches’ experiences and knowledge, develop leadership and business skills, share points of view or ideas, and gain new perspective. While it is apparent that particular coaching styles appeal to different entrepreneurs, having a trusting relationship with a business coach appropriate for their stage of firm growth, leadership need, and personal development, is considered paramount. As part of a large scale investigation, this study highlights that quantitative indicators alone do not tap the true influence of business coaching. Findings demonstrate clearly the importance of qualitative approaches, indicating that business coaching is a non-direct influencer of firm performance, perceived value, and effectiveness. In addition, findings suggest that firms and entrepreneurs who engage business coaches report deriving practical benefits that culminate in real firm performance.

The next section provides a review and discussion of the inter-related elements of Studies 3 and 4.
REVIEW AND DISCUSSION OF STUDIES 3 AND 4

The intent of Studies 3 and 4 was to survey entrepreneurs from fast-growth SMEs, with the overall aim of determining the effects of business coaching on firm growth. Taking a quantitative, predictive approach involving two cohorts, the objective of Study 3 was to develop and test a model of business coaching and fast-growth. Using a qualitative, inductive method, the aim of Study 4 was to carry out an in-depth exploration of fast-growth entrepreneurs’ experiences with business coaching.

Overall, findings indicate that business coaching is a non-direct influencer of firm performance, perceived value, and firm effectiveness. Confirmed by a number of authors (Clutterbuck & Megginson, 1999; Leonard & Swap, 2005), entrepreneurs engage business coaches because of their wisdom, experience, and knowledge; their willingness to share points of view and ideas; and their ability to act as guides and network contacts. Other reasons include feeling isolated, lonely, wanting someone to act as a sounding board, and receiving feedback (Cooper & Quick, 2003). Notwithstanding, entrepreneurs might perceive the expression of feelings of loneliness and isolation as signs of inadequacy, and possibly account for only 28% of entrepreneurs admitting their weaknesses and/or needs (Kets de Vries et al., 2007c). However, having the self-awareness to understand weaknesses is a necessary prerequisite for effective business leadership and management (Drucker, 2005).

Although only two-thirds of business coaches and entrepreneurs indicated having agreed on outcomes and deliverables at engagement commencement, this lack of agreement by some did not seem to be an obstacle to entrepreneurs (80%) perceiving that up to 30% of their firm growth was attributed to business coaching. When asked what is was that contributed to this growth, entrepreneurs provided reasons consistent with why they engaged business coaches in the first instance, that is, because of their contribution, wisdom, experience, help, guidance, opportunities to consider other perspectives and options, and gain greater understanding of the impact of firm growth and management requirements. Entrepreneurs who come from technical and manufacturing backgrounds in particular, benefit from business coaches who have encountered similar market trends or precedents that would justify or not justify taking a particular course or some action (Gerber, 2005). Other entrepreneurs said business coaching impacted directly on their personal development and understanding of self, which in turn contributed to firm growth.
Entrepreneurial motivation to pursue personal goals, together with the ability to adjust to competitive forces and customer demands, can directly impact firm growth (Korotov, 2007; St-Jean et al., 2005). While SEM techniques suggest that business coaching is a non-direct influencer of firm growth via entrepreneurial self-efficacy, entrepreneurs vary in the ways in which they measure the effectiveness of business coaching, with just over half saying it is not measurable and a third saying that results are measurable. These mixed findings might be attributed to entrepreneurs not agreeing on outcomes at the outset of business coaching engagements.

The relationship with business coaches is considered more important than the tools and frameworks used during business coaching sessions, with just over half the entrepreneurs responding that business coaching was conducted informally, with none or very little structure. The ability of business coaches to be responsive and bring fresh perspectives to immediate issues (Orenstein, 2000) might account for entrepreneurs’ perception of business coaching contribution to firm growth, with a third of the entrepreneurs indicating that business coaches provide foresight, perspective, advice, learning, insights, and challenge. However, Syme (1999) stated that in addition to business coaches engaging in flexible styles, it is also behest upon entrepreneurs to display willingness to participate in coaching interactions. Nevertheless, it is apparent that particular coaching styles appeal to different entrepreneurs, and having trusting relationships with business coaches appropriate for their stage of firm growth, leadership need, and personal development, is considered paramount (Delmar et al., 2003, Megginson et al., 2006).

Entrepreneurs identified sharing, connectedness, relationship, support, confidentiality, energy, drive, motivation, confidence, focus to take action and interest in them, as the memorable features of business coaching. Other key qualities include business coaches acting as sounding boards and effective listeners; and the focus during coaching sessions on vision, goals, and strategy, customers and production. These notable characteristics seemed to empower entrepreneurs’ self-efficacy, contributing to firm growth and entrepreneur satisfaction. Creane (2006) asserted that business coaches’ thought-provoking questioning enabled entrepreneurs to engage in self-discovery, thus viewing problems as opportunities rather than inhibitors to moving forward and taking accountability. Based on the findings
from Studies 3 and 4, a Business Coaching and Firm Growth model (Figure 7.1) is not only established, but also tested empirically.

As shown in Figure 7.1, specific components of business coaching work in concert to engender a sense of satisfaction with entrepreneurs’ experiences. Business coaching satisfaction emanates from the role played by coaches, the focus of sessions, and the results achieved. The combined factors impact entrepreneurs’ self-efficacy enabling them to solve problems, find appropriate solutions, and handle situations, fostering firm growth as measured by financial performance.

Limitations to Studies 3 and 4 were noted, including the relatively small sample size which might influence casual interpretation, and the possibility of common method variance owing to self-report biasing factors (Hox & Bechger, 1998; Spector, 2006). However, the triangulated approach used to corroborate quantitative research findings on business
coaching, by collecting additional qualitative data on entrepreneurs’ experiences, served to reduce common methods bias (Creswell, 2003).

It is recommended that future research use the measures developed during Study 3 to take a longitudinal approach with firms from start-up to harvest, using deduction and analysis to establish relevant causality of growth (Bygrave 1989; Chandler & Lyon, 2001). In addition, taking a qualitative design approach to embrace entrepreneurs’ experiences, such as used in Study 4, will provide a longitudinal view by taking account of changing factors, both from an internal and external perspective (Hill & McGowan, 1999).

The final chapter presents a business coaching and firm growth model, concluding remarks, and the significance of the present research.
CHAPTER 8: CONCLUSION

Overview

Operating in competitive and turbulent environments, entrepreneurs seek experienced mentors or coaches to work with them to attain market performance, and achieve business goals. A fundamental issue however, centres on measurement of effectiveness, return-on-investment (ROI), and value to businesses engaging such services. The overall objective of this thesis was to address the principal question of whether or not business coaching, which combines the interchangeable terms of coaching and mentoring, directly or indirectly enhances financial performance and firm growth.

Chapter 8 outlines the overall elements of the Business Coaching and Firm Growth model (Figure 8.1) which has been developed from the present research. The chapter culminates with concluding remarks, and the significance and implications of this thesis.

![Figure 8.1. Business Coaching and Firm Growth model.](image-url)
Business Coaching and Firm Growth Model

Findings from this dissertation are triangulated against existing literature to provide a comprehensive representation of the degree to which business coaching facilitates financial performance in order to advance a Business Coaching and Firm Growth model (Figure 8.1). Collectively, the four inter-related studies affirm the value and supportive nature of business coaching. As stated previously, the definition for the present thesis is that business coaching is a collaborative relationship between experienced business coaches and entrepreneurial leaders, focussing on business goals, entrepreneurs’ development, and contribution to firm growth as measured by financial performance.

The components (business coaches’ role, business coaching session focus, business coaching results, business coaching satisfaction, and entrepreneurs’ level of confidence) of the proposed business coaching and firm growth model are presented next.

Business Coaches’ Role

Key elements underpinning the role of business coaches are that of being effective listeners and sounding boards for entrepreneurs. Contributing to entrepreneurs’ personal and firm growth, it is apparent that particular coaching styles, such as engaging in directive versus non-directive conversations, appeal to different entrepreneurs. While Ellinger et al. (2008) found that inhibitory coaching behaviours included directive, controlling, and dictatorial styles, a number of entrepreneurs respect the no-nonsense approach and direct feedback from business coaches. In contrast, other entrepreneurs prefer consultative, facilitative styles provided by business coaches who are empathic and non-judgemental, but engage in thought provoking questioning (Clegg et al., 2003; Creane, 2006; Edwards, 2004).

Business coaches are engaged for a variety of reasons which might include enhancing entrepreneurs’ self-awareness, and acknowledgement of the loneliness and isolation of the position, and a need to obtain counsel from others (Bunker et al., 2002; Cooper & Quick, 2003; Kets De Vries et al., 2007a). Equally, other entrepreneurs seek out business coaches for their skills, knowledge, and ability to act as counsellors, advisors, and network facilitators. Entrepreneurs want the opportunity to learn from experienced business coaches who increase entrepreneurs’ skills and knowledge, assisting them to develop into their role of leading firms (Gibb, 1997; Megginson et al., 2006). Particularly amongst start-up-
businesses, Devins et al. (2005) highlighted the importance of building relationships with network stakeholders. Experienced business coaches have access to networks and professional services, thus providing opportunities for extra resources, and finance that entrepreneurs might not have had without such help (Bhide, 2000; Kurtzman, 2005). In line with Leedham and Swap (2005), fast-growth entrepreneurs nominate business coaches’ guidance, advice, and clarification provided, as contributors to firm growth.

Overall, business coaches who adapt to the personality and style that works best with entrepreneurs seem to be the most effective (Clutterbuck & Megginson, 1999). In addition, business coaches who are able to work with entrepreneurs on matters pertaining to firm growth, and provide psychosocial support, are highly valued by entrepreneurs (Clutterbuck, 1991, 2008; Kram, 1988). As identified by Diedrich (2004), the first place to start in business coaching, is with entrepreneurs’ perceived needs. Moreover, having trusting relationships with business coaches appropriate for entrepreneurs’ stage of firm growth, leadership needs, and personal development, are considered paramount (Leedham, 2005).

**Business Coaches’ Focus**

Important areas that business coaches focus on during sessions that contribute to fast-growth are the context (vision, goals, strategy), customers, and the production of goods and services for the firm. Business coaches work with entrepreneurs to develop a clear vision with timely and achievable goals coupled with performance-based tasks and milestones (Clegg et al., 2003; Clutterbuck & Megginson, 1999; Hall et al., 1999; Rider, 2002; Zeus & Skiffington, 2002). Firm life-cycle stage and growth is tempered by a number of factors including product readiness, customer and market forces, and available funding (Churchill & Lewis, 1983). Involving a complex mix of factors, enterprises satisfying customer demand represents the primary reason for firm success or failure (Delmar et al., 2003; Finkelstein et al., 2007; Leonard & Swap, 2005). Moreover, managerial capabilities and effective leadership, combined with a flexible approach and an ability to delegate, are essential ingredients to aid in the growth and sustainability of firms (Chan et al., 2006; Gerber, 1995).

To assist the focus during sessions, business coaches use a diverse range of tools, methods, and frameworks (Grant, 2005). At times, instruments such as 360-degree multi-source feedback, and Myers-Briggs Type Indicator (MBTI) are used to compare perceptions.
between self and others on, for example, issues relating to leadership style, communication effectiveness, and collaborative effort, in addition to calibrating entrepreneurs’ efforts to adjust to market forces, internal expectations, and customer expectations (Kets de Vries et al., 2007a; Muchinsky, 2006; St-Jean et al., 2005; Whitmore, 1996). Other business coaches use a wide variety of tools, methods, and approaches derived from the business management discipline, such as SWOT analysis. In some cases, entrepreneurs are unaware of the types of tools being used by business coaches, instead trusting that what is being used is suitable to the task. Alternatively, business coaches just talk and pose questions, with entrepreneurs outlining the benefits of this approach because of the coaches’ understanding of business (Brotman et al., 1998; Zeus & Skiffington, 2002).

The premise that business coaching is a semi-structured, goal focussed process based on collaborative relationships, and is highly effective when undertaken by business coaches with practical experience, is supported (Clegg et al., 2003; Devins & Gold, 2000; Hall et al., 1999; Leonard & Swap, 2005). Structured programmes that include training and business coaching are viewed positively by entrepreneurs. In essence, business coaches who are fully across the nuances and situations which might occur within firms, work collaboratively with entrepreneurs to focus on their needs to promote learning and growth (Gibb, 2009; Leonard & Swap, 2005).

**Business Coaching Results**

Findings in the present thesis reveal that the efficacy of business coaching is measured through the achievement of goals and the building of confidence. While a number of entrepreneurs measure business coaching effectiveness by bottom-line results, achievement, and winning work, other entrepreneurs evaluate outcomes through an ability to implement learning, apply principles, and generate new ideas. Still others state that effectiveness is not measureable; rather it is more on how good they feel about the experience, and their personal development throughout the engagement and subsequent performance, rather than solely on the results of firm growth.

These findings contradict assertions that very few coaching outcomes are tracked or determined or measured in some form (Bolch, 2001; Fritsch & Powers, 2006; McGovern et al., 2001; Witherspoon & White, 1996). As contended by Bush (2005), effectiveness can be through both personal and business-related results. Entrepreneurs indicate that firm growth
is attributable to the wisdom, experience, help, and guidance from business coaches enabling them to engage in high level thinking, conceptualisation, and to gain greater understanding of business, thus experiencing growth as managers (Chenault, 1987; Corman et al., 1988). Entrepreneurs seek to absorb business coaches’ experiences and knowledge, develop leadership and business skills, share points of view or ideas, and gain new perspectives (Clutterbuck & Megginson, 1999; Whitmore, 1996).

Overall, business coaching helps entrepreneurs acquire new skills, gain broader perspectives, experience advanced problem solving skills, and achieve overall performance improvement (Hall et al., 1999). Other intangible perceptions of outcomes are evident, including personal behavioural development, and mental-emotional growth (Kauffman & Bachkirova, 2008; Laske, 2004). Enabling entrepreneurs the opportunity for personal development and understanding of self, the long-lasting effects of business coaching are positive changes in self-efficacy, which in turn contribute to increased firm performance (Edwards, 2004; Moen & Skaalvik, 2009). Moreover, business coaching which is based on business coaches and entrepreneurs working together, increases the likelihood of achieving outcomes (Witherspoon & White, 1996).

**Business Coaching Satisfaction**

Entrepreneurs’ satisfaction with business coaching emanates from a combination of factors centered on business coaches’ role, business coaches’ style, and business coaching outcome. Business coaches’ style and role are attributed to background, experience, and training, working in concert when entrepreneurs are suitably matched with business coaches (Clutterbuck & Megginson, 1999; Leonard & Swap, 2005; Syme, 1999). Business coaches’ varied experiences as practicing professionals are cognisant with entrepreneurs’ expectations of gaining objective and realistic insight into firm progress (Kambil et al., 2000; Sexton et al., 1997). Entrepreneurs positively affirm business coaching outcomes with increased business performance and growth, with satisfaction hinging on gaining a perspective into their present situation, and envisioning future goals (Rider 2002; Stober, 2006; Witherspoon & White, 1996). Findings demonstrate that entrepreneurs base outcomes on the tangible
aspects of systems implementation, and perceive growth from cognitive and emotional perspectives (Kauffman & Bachkirova, 2008; Ludeman & Erlandson, 2004).

The opportunity to talk through business issues, weigh up options, and find realistic solutions with business coaches, appears to afford entrepreneurs with renewed energy, drive, motivation, confidence, and action focus (Cooper & Quick, 2003; Porter, 2000). Entrepreneurs emphasise that personal relationships developed and nurtured throughout sessions with business coaches, in addition to business coaches’ willingness to engage in either structured or unstructured processes, and responsiveness to changing agendas, serves to satisfy needs, thus fostering effective firm performance in addition to growth through personal development (Bush, 2005; Kilburg, 2000; Leonard & Swap, 2005; Mumby-Croft & Brown, 2005; Witherspoon & White, 1999).

**Entrepreneurs’ Level of Confidence**

The present thesis suggests that the role played by business coaches together with the results from business coaching, has a positive effect on entrepreneurs’ self-efficacy, that is, entrepreneurs belief in their competence to perform. The modelling of business coaches enables entrepreneurs to engage in analytical thought engendering self-awareness, leading to the setting of higher goals. Through self-awareness, entrepreneurs understand their strengths, weaknesses, and self-motivation within a contextual framework, and thus the ability to form a more effective style of leadership (Drucker, 2005; Kets de Vries et al., 2007c; Korotov, 2007). Entrepreneurs with perceived control over situations are more likely to achieve goals in the face of adversity, than individuals who do not have these qualities (Markman et al., 2005).

The need for achievement combined with the motivation to succeed, are important characteristics of entrepreneurs (Hansemak, 2003; St-Jean et al., 2005). Belief-based, self-efficacy has a strong relationship with success, providing entrepreneurs within competitive environments the confidence to contribute significantly to financial performance outcomes (Chen et al., 1998; Luthans & Ibrayeva, 2002; Rauch & Frese, 2007). Entrepreneurs’ motivation fuels thought processes, which increases self confidence, and provides an ability to see situations and challenges as less threatening, and thus more effort is exerted to work hard to achieve firm growth (Baum et al., 2001; Hollenbeck & Hall, 2000). Further,
entrepreneurs with strong self-efficacy, emotional stability, and openness, tend to believe in
decisions involving their own abilities and that of employees (Forbes, 2005; Stewart et al.,
2008). Entrepreneurial self-efficacy can be viewed as a personal resource forming a buffer
against stress, anxiety, and burnout (Jerusalem & Schwarzer, 1992).

Concluding Remarks

As stated previously, the purpose of this thesis is to establish the extent, if any, to
which business coaching is an enabler or driver of financial performance and firm growth in
SMEs. This thesis reviews a number of well established business management, psychology
and consulting theories, frameworks and methodologies that have a significant influence on,
or have been adopted by, business coaching. A systematic, comprehensive, and linear
method was taken to evaluate the outcome of business coaching through four inter-related
studies using quantitative and qualitative techniques. In the first study, business coaches and
entrepreneurs, from lifestyle and fast-growth businesses, were interviewed using an
exploratory, grounded theory, and interpretative methods to explore the plausibility and
classifications of assumptions pertinent to business coaching. Informing the next stage, the
second study sought to establish measures for business coaching, and answer question
relating to start-up entrepreneurs’ perception of business coaching when coupled with a
structured training programme. Findings reveal that a structured training and business
coaching programme positively influences experiences of entrepreneurs who have previously
received business coaching.

Surveying two cohorts of fast-growth entrepreneurs in the third study, confirmatory
factor analytic methods establish clear links between business coaching elements (coaching
style, session focus, result, satisfaction), entrepreneurial level of confidence (locus-of-
control, self-efficacy), and firm growth. Modelling techniques suggest the outcome of
business coaching influences financial performance and thus firm growth, through
entrepreneurial self-efficacy. The final study corroborates findings from the previous study
by interviewing fast-growth entrepreneurs to explore business coaching experiences. The
present research highlights that quantitative indicators alone do not tap the true influence of
business coaching (Cavana et al., 2001), with findings demonstrating the importance of
qualitative approaches by identifying that business coaches’ experience and knowledge, in
addition to trust engendered through relationships are as important to outcomes as bottom-line results. The research undertaken validates the use of a mixed-methods approach to triangulate findings, with the objective of obtaining the same result by establishing links between studies. Following Johnson and Duberley’s (2000) advice, sophisticated and replicable data collection methods have been comprehensively developed and used throughout each of the studies undertaken, allowing for replication of the experimental conditions into business coaching practice.

A salient finding of this thesis is that specific components of business coaching variables work in concert to engender a sense of satisfaction with entrepreneurs’ experiences of the business coaching role, satisfaction which emanates from the role played by coaches, the focus of sessions, and the results achieved. Roles of business coaches might vary between directive and non-directive, depending on the personalities of both parties and entrepreneurs’ needs. Although there is variation in the use or non use of tools and frameworks, collaborative relationships, with business coaches acting as listeners and sounding boards, enable entrepreneurs to build and establish trust and rapport. The combined factors of business coaching impact entrepreneurs’ self-efficacy, enabling them to increase their personal performance to solve problems, find appropriate solutions, and handle situations that would otherwise have been difficult to manage in the face of firm growth.

The outcome of the inter-related studies in the present research suggests that business coaching enhances business performance and growth, providing firms with evidence on value and effectiveness. While it is acknowledged that there might be competing reasons for firm growth results, quantitative and qualitative techniques reveal that the degree of trust developed during collaborative relationships, where business coaches remain flexible and entrepreneurs take responsibility for actions, business coaching is more likely to be successful than when such factors are not in existence. Based on findings from the present research, it is affirmed that business coaching links favourably to entrepreneurial level of confidence, impacting financial performance and firm growth. This thesis, through a systematic and comprehensive approach, establishes a model of business coaching factors that facilitate firm growth, as well as proposes a method of measuring outcome evaluation. Thus, a Business Coaching and Firm Growth model (Figure 8.1) is not only established, but also tested empirically.
Research Significance and Implications

Reasons for undertaking this present research include the dearth of evidenced-based investigations on business coaching, the shortage of examinations using control methods and cross-sectional measures, and the lack of systematic investigation into the effects of business coaching on entrepreneurial personality characteristics and SME financial performance and growth (Grant, 2005; Kilburg, 2000; Leedham, 2005; Peel, 2004; Stober & Parry, 2005).

By systematically and consistently, throughout this present research, evaluating linkages between a number of pertinent business coaching factors and entrepreneurial level of confidence, relationships with firm growth are established. Thus, the development of a Business Coaching and Firm Growth model, within the context of a grounded framework, adds substantially to the apparent dearth of literature on business coaching. Findings suggest that firms and entrepreneurs engaging in business coaching can benefit from the theoretical, empirical, and practical implications emanating from this study. Adding substantially to current research, this investigation provides the groundwork for future research on outcome-based business coaching.

As noted previously, the coaching industry has grown exponentially over the previous three decades, but without regulation, qualifications, and standards, coaches have come under considerable criticism (Hall et al., 1999; Spence, 2007; Stober & Parry, 2005). Given the paucity of coaching research, this thesis provides evidence-based outcome measures which could be embraced by future business coaching researchers. It is proposed that coaches should be well grounded in the business management discipline to effectively undertake business coaching. The current dissertation presents an opportunity for researchers and practitioners interested in business coaching to take hold of theories from the business management field, and further develop these theories by formulating and rigourously testing hypotheses. Coaching will become credible in its own right only when the various frameworks currently in practice are grounded in research. Once a body of evidence has been substantiated empirically, coaching will be more accepted by existing mainstream disciplines than it is currently.

Providing strong evidence of business coaching effectiveness on firm growth, findings from this present research have both theoretical and practical implications. In the context of firms querying ROI from business coaching, the establishment of a Business
Coaching and Firm Growth model, as presented in this thesis, demonstrates that tangible and/or intangible outcomes are achievable. From a practical ROI perspective, the proposed model shows that self-efficacy and firm growth contributes 20% and 6% variance respectively. The evidence that business coaching is an effective means of supporting entrepreneurs in their every-day operations, strategic imperatives, and firm growth, provides significant incentive for entrepreneurs to contract the services of business coaches. Moreover, findings suggest that firms and entrepreneurs who engage business coaches derive practical benefits that culminate in financial performance and real firm growth.
REFERENCES


Spector, P. E., Cooper, C. L., Sanchez, J. I., O'Driscoll, M., Sparks, K., et al. (2002). Locus of control and well-being at work: How generalizable are western findings. Academy of Management Journal, 45(2), 453-466.


APPENDICES

Appendix 4.1  Plain Language Statement
Appendix 4.2  Prescribed Consent Form
Appendix 4.3  Business Coaching Experience
Appendix 4.4  Business Coach Questionnaire
Appendix 5.1  Programme Registration and Confidentiality
Appendix 5.2  Programme Enrollment Questionnaire
Appendix 5.3  Post Programme Questionnaire
Appendix 6.1  Fast-Growth 100 Questionnaire

(Note: Appendices are numbered according to chapters in which they appear.)
Plain Language Statement

I am currently a PhD student in the School of Marketing at RMIT Business. My research topic is Comparison and Effect of Coaching and Mentoring on the Goals and Outcomes of Small to Medium Enterprises. My supervisor is Professor Kosmas Smyrnios.

I am inviting you to participate in this project. Your participation will involve completing a one page questionnaire and being interviewed for approximately 50 minutes in your office. Participation in this research is voluntary. You may withdraw at any time and withdraw any unprocessed data.

Data collected will be analysed for my thesis and the results may appear in publications. Results will be reported in a manner which does not enable you to be identified. Thus the reporting will protect your anonymity.

If you have any queries regarding this project please contact my supervisor Professor Kosmas Smyrnios, phone 03 9925 1633, email kosmas.smyrnios@rmit.edu.au or the Chair of the RMIT Business Human Research Ethics Sub-committee Professor Tim Fry, phone 03 9925 1478, email rdu@rmit.edu.au

Yours Sincerely,

Bernadette Crompton
Student Investigator
Prescribed Consent Form - Appendix 4.2

RMIT HUMAN RESEARCH ETHICS COMMITTEE
Prescribed Consent Form for Persons Participating in Research Projects Involving Questionnaires and Interviews

FACULTY OF
DEPARTMENT OF
Name of participant:

Business
Marketing

Project Title: Comparison and Effect of Coaching and Mentoring on the Goals and Outcomes of Small to Medium Enterprises

Name(s) of investigators: (1) Bernadette Crompton Phone: 0418 311 331

1. I have received a statement explaining the interview and questionnaire involved in this project.
2. I consent to participate in the above project, the particulars of which - including details of the interviews and questionnaire - have been explained to me.
3. I authorise the student investigator to administer a questionnaire and interview me.
4. I authorise the student investigator to tape record the interview.
5. I acknowledge that:
   (a) Having read the Plain Language Statement, I agree to the general purpose, methods and demands of the study.
   (b) I have been informed that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied.
   (c) The project is for the purpose of research and/or teaching. It may not be of direct benefit to me.
   (d) The privacy of the personal information I provide will be safeguarded and only disclosed where I have consented to the disclosure or as required by law.
   (e) The security of the research data is assured during and after completion of the study. The data collected during the study may be published. Any information which will identify me will not be used.

Participant’s Consent

Name: ___________________________ Date: ___________________________

(Participant)

Name: ___________________________ Date: ___________________________

(Witness to signature)

Where participant is under 18 years of age:
I consent to the participation of ___________________________ in the above project.

Signature: (1) ___________________________ Date: ___________________________

(Signatures of parents or guardians)

Name: ___________________________ Date: ___________________________

(Witness to signature)

Please fax signed Consent Form to Bernadette Crompton on fax no: 03 9531 0460.

Any complaints about your participation in this project may be directed to the Chair, Portfolio Human Research Ethics Sub-Committee, Business Portfolio, RMIT, GPO Box 2476V, Melbourne, 3001. The telephone number is (03) 9925 5594 or email address: hdu@rmit.edu.au

Details of the complaints procedure are available from: www.rmit.edu.au/council/hrec
Part One: Business Background

1. Company Name: ____________________________

2. Name, position and age of business owner/CEO:
   Name: ____________________________
   Position: ____________________________
   Age: ____________________________

3. Contact telephone number: ____________________________

4. Email address: ____________________________

5. In which year was the enterprise established? ____________________________

6. The CEO is: Male 1 Female 2

7. The highest academic qualification of the CEO is:
   Tertiary degree 3 Other 6

8. Which ONE industry best describes your operation?
   Manufacturing 3 Finance & Insurance 11
   Construction 4 Property & Bus Services 12
   Wholesale Trade 5 Education 13
   Retail Trade 6 Health & Com Services 14
   Accommodation, cafe, rest’ant 7 Cultural & recreational 15
   Transport and storage 8 Personal and Other Services 16

9. How many locations does the business have?
   (a) In Australia? ____________________________ location/s
   (b) Overseas? ____________________________ location/s

10. What was the annual gross revenue for the last three years?
    2004: $ ____________________________
    2003: $ ____________________________
    2002: $ ____________________________

11. How many equivalent full time employees does the business have?
    2004 ____________________________ employees
    2003 ____________________________ employees
    2002 ____________________________ employees

12. What is the estimated market share?
    2004 ____________________________ %
    2003 ____________________________ %
    2002 ____________________________ %

13. The main reason for business growth is: (Please circle ONE only)
   (a) to increase your skills and knowledge 1
   (b) to grow the business 2
   (c) to better manage business processes 3
   (d) to better manage staff relationships 4
   (e) to change your behaviour 5
   (f) to increase your performance 6
   (g) to develop your potential 7
   (h) to expand your thinking 8
   (i) other ____________________________

Part Two: Business Coaching Experience

1. During what period did you engage a Business Coach? from: ____________ to: ____________

2. How many Business Coaching sessions did you have in that time? ____________

3. What was the average length of a Business Coaching session? ________

4. Did you pay for the Business Coaching? Yes 1 No 2

5. What was the cost per Business Coaching session? $ ____________________________

6. Your Business Coach was: Male 1 Female 2

7. Did you agree on the outcome/deliverables of Business Coaching at the commencement? Yes 1 No 2

8. Did you have a signed agreement for the Business Coaching engagement?
   Yes 1 No 2

9. Were Business Coaching sessions delivered mainly: (please circle ONE only)
   (a) face-to-face 1
   (b) by telephone 2
   (c) by email 3

10. Were your Business Coaching sessions mainly: (please circle ONE only)
    (a) structured 1
    (b) unstructured 2
    (c) flexible from session to session 3

11. Did your Business Coach use tools/techniques to conduct: (please circle all applicable)
    Personality profiling 1
    360 degree feedback 2
    Goal assessment 3
    Other ____________________________

12. Did your Business Coach possess qualifications in: (please circle all applicable)
    Business degree 1
    Human resource or training degree 2
    Psychology degree 3
    Business Coach training school accreditation 4
    Don’t know 5
    Other ____________________________

13. To what degree did your Business Coach play the role of:
    Not at all 1 Always 7
    Sounding board eg. open/honest feedback 1 2 3 4 5 6 7
    Critical friend eg. questioning/analysing problems 1 2 3 4 5 6 7
    Career advisor eg. career options 1 2 3 4 5 6 7
    Network facilitator eg. provided access 1 2 3 4 5 6 7
    Business Coach eg. expert knowledge 1 2 3 4 5 6 7

14. The main reason you engaged a Business Coach was: (please circle ONE only)?
    (a) to increase your skills and knowledge 1
    (b) to grow the business 1
    (c) to better manage business processes 3
    (d) to better manage staff relationships 4
    (e) to change your behaviour 5
    (f) to increase your performance 6
    (g) to develop your potential 7
    (h) to expand your thinking 8
    (i) other ____________________________

15. To what extent were you satisfied with your Business Coaching experience?
    Totally Unsatisfied 3 Extremely Satisfied 7
    The period/length of your sessions 1 2 3 4 5 6 7
    The cost of your sessions 1 2 3 4 5 6 7
    The delivery method of your sessions 1 2 3 4 5 6 7
    Your relationship with your Business Coach 1 2 3 4 5 6 7
    Your Business Coach’s style and approach 1 2 3 4 5 6 7
    The role/s your Business Coach played 1 2 3 4 5 6 7
    The outcome of Business Coaching 1 2 3 4 5 6 7

16. Would you engage a Business Coach at another time? Yes 1 No 2
Part One: Background

6. Company/trading name: ____________________________

7. Name, position, age, gender of Business Coach:
   Name: ________________________________________________
   Position: ____________________________
   Age: ________ years Gender: Male 1 Female 2

8. Contact telephone number: __________________________

9. Email address: ____________________________________

10. In which year was your Business Coaching business established? _________

11. How many people does your business employ? _________

7. Your highest academic qualification is:
   - Less than HSC (year 12) 1
   - HSC (year 12) 2
   - Tertiary degree 3
   - Other 6

8. Do you possess qualifications in: (please circle all applicable)
   - Business 1
   - Human resource or training 2
   - Psychology 3
   - None of the above 4

9. Have you undertaken Business Coach training? Yes 1 No 2

10. Where did you receive your Business Coach training:
    - Name of school/course ____________________________

11. Do you have a Business Coaching credential or certification? Yes 1 No 2

12. If you have a Business Coaching credential or certification what level is it? Business Coach accreditation level: __________________________

13. When did you receive your Business Coaching credential or certification? Year: ________

14. What was your main background prior to becoming a Business Coach? (please circle ONE only)
   (a) Business Management 1
   (b) Management Consulting 2
   (c) Human Resources 3
   (d) Training 4
   (e) Psychology 5
   (f) Counsellor 6
   (g) Teacher 7
   (h) Other (please specify) ____________________________

15. Besides Business Coaching do you currently engage in: (please circle all applicable)
   - Business Management 1
   - Management Consulting 2
   - Human Resources 3
   - Training 4
   - Psychology 5
   - Counselling 6
   - Teaching 7
   - Other 8

16. Besides your current Business Coaching business, have you ever: (please circle all applicable)
   - Owned a business 1
   - Been a partner in a business 2
   - Sold a business 3
   - Publicly listed a business 4

Part Two: Business Coaching Practice

1. Do you conduct Business Coaching: (please circle all applicable)
   - In Australia 1
   - Overseas 2

2. Are your Business Coaching sessions delivered mainly: (please circle ONE only)
   (a) face-to-face 1
   (b) by telephone 2
   (c) by email 3

3. Are your Business Coaching sessions mainly: (please circle ONE only)
   (a) structured 1
   (b) unstructured 2
   (c) flexible from session to session 3

4. Do agree on the outcome/deliverables at Business Coaching commencement? Yes 1 No 2

5. Do you have a signed agreement for the Business Coaching engagement? Yes 1 No 2

6. What is the average length of a Business Coaching engagement? _________

7. What is the average length of a Business Coaching session? _________

8. What is the average number of Business Coaching sessions per engagement? _________

9. Do use tools/techniques to conduct your Business Coaching: (please circle all applicable)
   - Personality profiling 1
   - 360 degree feedback 2
   - Goal assessment 3
   - Other 4

10. To what degree do you play the role of:
    - Goal assessment 3
    - 360 degree feedback 2
    - Listener 1
    - Critical friend 1
    - Sounding board 1
    - Counsellor 1
    - Other 1
    - Career advisor 1
    - Coach? Not at all Always

   - Sounding board eg. open/honest feedback 1
   - Critical friend eg. willing to speak truth 1
   - Listener eg. offer an ‘ear’, encouragement 1
   - Counsellor eg. question/analysed problems 1
   - Career advisor eg. career options 1
   - Business Coach eg. expert knowledge 1

11. The main reason you are engaged as a Business Coach is: (please circle ONE only)
    (a) to increase skills and knowledge 1
    (b) to grow the business 2
    (c) to better manage business processes 3
    (d) to better manage staff relationships 4
    (e) to change behaviour 5
    (f) to increase performance 6
    (g) to develop potential 7
    (h) to expand thinking 8
    (i) other 9

12. Have you ever referred your Business Coaching clients on for other services of: (please circle all applicable)
    - Legal advice 1
    - Financial/accountancy advice 2
    - Business advice 3
    - Psychology/psychotherapy 4
    - Counselling 5
    - Other (please specify) 6

Please fax completed questionnaire to Bernadette Crompton on fax no. 03 9531 0460
From: Bernadette Crompton [mailto:bcrompton@perspectivesolutions.com.au]
Sent: Tuesday, 25 August 2008 10:07 AM
To: 
Subject: Confirming Registration for the Mentre Commercialisation & Growth Programme

Dear

Thank you for registering for Information City Australia’s Global Growth workshop and business coaching programme.

Attached are two documents:

1) Participant Application
On the attached Participation Application form, please provide details of the business and product or service you will be work on during the programme and email back to me as soon as possible. This document will be made available to trainers and business coaches involved in the programme.

2) Questionnaire
To assist us to best match your profile against the capabilities of a business coach from our experienced Mentre Network, please complete the information on the attached questionnaire. If there are two applicants from your company, please complete separate questionnaires. When completed either scan the questionnaire/s and email back to me, or fax to (03) 9639 8255.

The privacy of the information you provide on the questionnaire will be safeguarded by Information City Australia and used by the programme directors for business coaching matching purposes only. The information will not be given to business coaches unless you have specifically consented to the disclosure, or as required by law. All questionnaires received throughout the Mentre programme series are collated anonymously and used for reporting and research purposes. Your identity will not be divulged to parties outside the Mentre Programme.

If you have any queries please contact Bernadette Crompton on mobile 0418 311 331.

regards

Bernadette Crompton MBA
Programme Director
Mentre Commercialisation & Growth
M: 61 (0) 418 311 331
F: 61 3 9639 8255
E: bcrompton@perspectivesolutions.com.au
Programme Enrollment Questionnaire

Part One: Participant Background

12. Company Name: 

13. Participant Name: 

14. Position: 

15. Telephone number: 

5. The participant is: Male □ Female □ 

6. Participant’s age: years 

7. Participant’s highest qualification: (Please check one only) 
   (1) Less than HSC (year 12) □ 
   (2) HSC (year 12) □ 
   (3) Certificate □ 
   (4) Diploma □ 
   (5) Bachelors degree □ 
   (6) Post Graduate Degree □ 
   (7) Masters Degree □ 
   (8) PhD or Doctorate □ 
   (9) Other (please specify) □ 

8. Are you the company founder? Yes □ No □ 

9. How many years have you been in the company? years 

10. Reason for attending workshop: (Please check all applicable) 
   (1) Concept scoping □ 
   (2) Business plan development □ 
   (3) New product release □ 
   (4) Financial scenarios □ 
   (5) Intellectual property protection □ 
   (6) Capital raising □ 
   (7) Finding stakeholders □ 
   (8) Other (please specify) □ 

Part Two: Company Background

1. In which year was the company established? 

2. How many locations does the company have? 
   (a) In Australia? locations/s 
   (b) Overseas? locations/s 

3. Number of product or service lines your company sells? 

4. What was the annual gross revenue for the last three years? 
   2007: $ 
   2006: $ 
   2005: $ 

5. Number of full time employees in company? (eg 2 p/t = 1 f/t employee) 
   2008 employees 
   2007 employees 
   2006 employees 

6. Name of product/service you want to focus on for the workshop is: 

7. What is your product/service stage of growth: (please check ONE only) 
   (1) Concept □ 
   (2) Development □ 
   (3) Prototype/ beta testing □ 
   (4) Entering market □ 
   (5) Growth □ 
   (6) Global expansion □ 
   (7) Planning takeover □ 
   (8) Planning exit □ 

Part Three: Training Experience

1. Have you previously had training in: (please check all applicable) 
   (1) Concept scoping □ 
   (2) Business plan development □ 
   (3) New product release □ 
   (4) Financial scenarios □ 
   (5) Intellectual property protection □ 
   (6) Capital raising □ 
   (7) Finding stakeholders □ 
   (8) Other (please specify) □ 

Part Four: Business Coaching Experience

1. Have you used a business coach? Yes □ No □ 

2. Number of business coaches you’ve used over your lifetime 

Please answer the following questions ONLY if you have previously had business coaching and based on your LAST business coaching experience.

3. Your last business coaching experience was (please check ONE only) 
   (a) with a coach □ 
   (b) with a mentor □ 

4. Over what period did you work with the business coach? 
   from: □ to: □ 

5. Your business coach was: 
   Male □ Female □ 

6. Did you pay for the business coaching? Yes □ No □ 

7. Did you agree outcome/deliverables at commencement? 
   Yes □ No □ 

10. What were the business coach’s qualifications? (please check all applicable) 
   (1) Coach training □ 
   (2) Business degree □ 
   (3) Masters Degree □ 
   (4) Post Graduate Degree □ 
   (5) Others (please specify) □ 

11. Had your business coach ever: (please check all applicable) 
   (1) Owned a business □ 
   (2) Partnered in a business □ 
   (3) Sold a business □ 
   (4) Publicly listed a business □ 
   (5) Others (please specify) □ 

12. To what degree did your business coach play the role of: 
   (a) Sounding board □ 
   (b) Listener □ 
   (c) Advisor □ 
   (d) Coach □ 
   (e) Network facilitator □ 
   (f) The role/s your business coach played 
   (please specify) □ 

13. Did your business coach ever refer you to other services: (check all applicable) 
   (1) Legal advice □ 
   (2) Financial advice □ 
   (3) Business advice □ 
   (4) Counselling □ 
   (5) Psychotherapy □ 
   (6) Other (please specify) □ 

14. Business coaching was for: (a) personal/life □ 
   (b) business/executive □ 
   (a) Other (please specify) □ 

15. Main reason you engaged a business coach was to: (check ONE only) 
   (1) change your behaviour □ 
   (2) increase performance □ 
   (3) develop your potential □ 
   (4) expand your thinking □ 
   (5) others (please specify) □ 

16. Main focus of your business coaching sessions was on: 
   (a) Vision, strategy, goals, environment □ 
   (b) Customers □ 
   (c) Stakeholders □ 
   (d) Production (eg. create/ manufacture) □ 
   (e) Processes (eg. method/ procedures) □ 
   (f) People (eg. leadership/ managing/ culture) □ 

17. To what extent were you satisfied with your business coaching experience? 
   Totally Dissatisfied □ Extremely Satisfied □ 
   (a) Period/length of business coaching □ 
   (b) Cost of business coaching sessions □ 
   (c) Method of your sessions □ 
   (d) Relationship with your coach □ 
   (e) Your business coach’s style and approach □ 
   (f) The results your business coach played □ 
   (g) The outcome of business coaching □ 

Please email completed questionnaire to Bernadette Crompton at bcrompton@perspectivesolutions.com.au
Part One: Participant Background

16. Company Name: ____________________________________________

17. Participant Name: ___________________________________________

Part Two: Workshop Rating

1. To what extent did you find each workshop topic useful?

<table>
<thead>
<tr>
<th>Topic</th>
<th>Not at all Useful</th>
<th>Extremely Useful</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Introduction to mentoring</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(b) Business plans</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(c) Defining and assessing the business opportunity</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(d) Workshop flyers/USP</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(e) SWOT analysis</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(f) Protecting the value of the business opportunity</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(g) Preparing financial scenarios</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(h) Presenting financial scenarios</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(i) Getting stakeholders</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(j) Presenting the business opportunity to external parties</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(k) Summary session</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

2. To what extent were you satisfied with your workshop experience?

<table>
<thead>
<tr>
<th>Topic</th>
<th>Totally Dissatisfied</th>
<th>Extremely Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) The period/length of sessions</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(b) The session trainer’s experience</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(c) The delivery method of each session</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(d) The trainer's style</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(e) Your interaction with other participants</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(f) The cost for the workshop</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(g) Value for money</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

3. What comments do you have about the workshops?

________________________________________________________________________

________________________________________________________________________

Part Three: Business Coaching Rating

1. To what degree did your business coach play the role of:

<table>
<thead>
<tr>
<th>Role</th>
<th>Not at all</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Sounding board (eg open/honest feedback)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(b) Listener (eg, empathy, encouragement)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(c) Counsellor (eg, analysed problems)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(d) Advisor (eg expert knowledge, skills)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(e) Network facilitator (eg, provided access)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

2. Did your business coach ever refer you to other services for: (please circle all applicable)

<table>
<thead>
<tr>
<th>Service</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Legal advice</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(b) Financial/accountancy advice</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>(c) Business advice</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>(d) Psychology/psychotherapy</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>(e) Counselling</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>(f) Other (please specify)</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

3. The main focus of your business coaching sessions was on:

<table>
<thead>
<tr>
<th>Focus</th>
<th>Not at all</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Vision, strategy, goals, environment</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(b) Customers (eg external)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(c) Stakeholders (eg internal)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(d) Production (eg, create, manufacture)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(e) Processes (eg methods, procedures)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(f) People (eg, leadership, managing, culture)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(g) Flyer/USP</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(h) Business Plan</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(i) Presentation</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(j) Other (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. To what extent were you satisfied with your business coaching?

<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>Totally Dissatisfied</th>
<th>Extremely Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) The period/length of your sessions</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(b) The delivery method of your sessions</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(c) Your relationship with your mentor</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(d) Your mentor’s style and approach</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(e) The role(s) your mentor played</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>(f) Overall business coaching value</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

5. What was it about business coaching that provided the most value?

________________________________________________________________________

________________________________________________________________________

6. What other comments do you have about the business coaching?

________________________________________________________________________

________________________________________________________________________

Part Four: Other Comments

1. How do you intend to apply what you have learnt during this workshop and business coaching to your business?

________________________________________________________________________

________________________________________________________________________

2. Would you recommend this workshop to your colleagues?

Yes ☐ No ☐

3. If you have a colleague who you think would like to receive information about the Mentre workshops, please provide their contact details:

Name: ____________________________________________

Email: ____________________________________________

________________________________________________________________________

4. Do you have any other comments you have about the Mentre Program?

________________________________________________________________________

________________________________________________________________________

5. Would you be happy for Information City Australia to use your comments for marketing of future Mentre workshops?

Yes ☐ No ☐
Congratulations on joining the prestigious BRW Fast 100

The *BRW Fast 100* magazine that comes out in October is drawn from your responses to this survey which we prefer the founder to fill out.

We also use it as a resource for other features throughout the year so it is very worthwhile to spend the time answering questions.

We have tried to keep it as short as possible. Please feel free to add your thoughts or reflections (or attach more comments in your email reply).

Please answer **ALL** questions by typing your answer in the text box [ ] or ‘checking’ the box [ ] that **BEST** describes your situation.

**Deadline:** Please complete by August 31.

**Part 1: Background on Business, Ownership and Management of Business**

1. **Company Name:**
2. **Name and position of Founder/CEO (i.e. person who completed the questionnaire):**
3. **Contact telephone number:**
4. **Email:**
5. **In which year was the enterprise established?**
6. **Which ONE industry best describes your operation?**
   - Agriculture, forestry, fishing
   - Mining
   - Manufacturing
   - Construction
   - Wholesale Trade
   - Retail Trade
   - Accommodation, cafe, restaurant
   - Transport and storage
   - Information Tech
   - Communications
   - Finance & Insurance
   - Property & Bus Services
   - Education
   - Health & Com Services
   - Cultural & recreational
   - Personal and Other Services
7. **The founder is:**  [ ] Male  [ ] Female
8. **Founder was under 30 when they started the business:**  [ ] Yes  [ ] No
9. **Founder was over 50 when they started the business:**  [ ] Yes  [ ] No
10. **What is the highest academic qualification of the founder? (Select **ONE only**)**
    - Less than HSC (year 12)
    - HSC (year 12)
    - Tertiary
    - MBA
    - PhD or Doctorate
    - Other
11. Why did you start the business? (Select ONE only)
   - Wealth creation
   - Independence
   - Buying yourself a job
   - Could do the job better than your former boss
   - Saw a niche
   - Challenge
   - Lack of career opportunities in previous employment
   - Other (please specify)

12. What is the legal structure of your business?
   - Private Company
   - Partnership
   - Family Trust
   - Sole Trader
   - Public Company
   - Other

13. Number of full time employees: employees

14. Do you plan to hire more staff this financial year? ☐ Yes ☐ No
    If yes, how many? [ ]

15. What is the highest academic qualification of the CEO/MD?
   - Less than HSC (year 12)
   - HSC (year 12)
   - Tertiary
   - MBA
   - PhD or Doctorate
   - Other

Part 2: Business Growth Issues

1. The biggest issue we faced in the last year was (check one)
   - Slowing economic conditions
   - Growth strategies
   - Growing Competition
   - Margin pressures
   - Hiring quality staff (skill shortage)
   - Unfair dismissal
   - Getting rid of poor performers
   - Capital for growth
   - Succession
   - Managing
   - Rising interest rates
   - Technology
   - Other....(Please Specify)

2. Revenue growth next year will come from (check one)
   - Better business practices
   - Organic growth
   - Acquisitions
   - Exporting
   - New products
   - New domestic markets
   - Secure global partner
   - Increase productivity
   - Competition
   - Other (Please Specify)
Part 3: Business Coaching/Mentoring

1. Have you used a business coach and/or mentor?  □Yes  □No

Please answer the following coaching/mentoring questions based on your LAST business coaching or mentoring experience.

4. Your coach/mentor was:  □Male  □Female

6. Number of coaching/mentoring sessions you had in that time?

7. Payment for your coaching/mentoring was: (please check ONE only):
   □Made personally by you
   □Made by your company
   □Given to you free of charge by the coach/mentor

9. Did you agree outcome/deliverables at commencement?  □Yes  □No

10. Your coaching/mentoring sessions were mainly: (please check ONE only)
   □Structured
   □Flexible from session to session

12. Had your coach/mentor ever: (please check ALL applicable)
   □Owned a business
   □Been a partner in a business
   □Sold a business
   □Publicly listed a business
   □Worked for a corporate enterprise

13. To what degree did your coach/mentor play the role of:
   (a) Sounding board (eg open/honest feedback)  □□□□□□  □□□□□□
   (b) Listener (eg. empathy, encouragement)  □□□□□□  □□□□□□
   (c) Counsellor (eg. analysed problems)  □□□□□□  □□□□□□
   (d) Advisor (eg expert knowledge, skills)  □□□□□□  □□□□□□
   (e) Network facilitator (eg. provided access to others)  □□□□□□  □□□□□□

14. What proportion (%) of your rate of business growth do you attribute to coaching and/or mentoring?  %

16. The main reason you engaged a coach/mentor was: (please check ONE only)
   □to increase your skills and knowledge
   □to grow your business
   □to better manage business processes
   □to better manage staff relationships
   □to change your behaviour
   □to increase your performance
   □to develop your potential
   □to expand your thinking
   □Other (please specify)

17. The main focus of your coaching/mentoring sessions was on:
   (a) Vision, strategy, goals, environment  □□□□□□  □□□□□□
   (b) Customers
   (c) Stakeholders
   (d) Production (eg. create, manufacture)
   (e) Processes (eg. methods, procedures)
   (f) People (eg. leadership, managing, culture)

19. Were your coaching/mentoring sessions part of a:
   □Training program?  □Yes  □No
   □Peer group program?  □Yes  □No
20. As a result of coaching/mentoring you are now able to:

(a) Make better decisions
(b) Have more ideas/options to deal with issues
(c) Achieve your objective/goals
(d) Have greater self awareness
(e) Understand your strengths/weaknesses
(f) Know your development needs
(g) Have a more positive attitude towards life
(h) Have a greater degree of confidence that your business will succeed

<table>
<thead>
<tr>
<th>Totally Disagree</th>
<th>Totally Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>6</td>
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<tr>
<td>3</td>
<td>5</td>
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<td>5</td>
<td>3</td>
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<tr>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
</tr>
</tbody>
</table>

21. To what extent were you satisfied with your coaching/mentoring?

(a) The period/length of your coaching/mentoring
(b) The cost of your coaching/mentoring sessions
(c) The delivery method of your sessions
(d) Your relationship with your coach
(e) Your coach/mentor’s style and approach
(f) The role/s your coach/mentor played
(g) The outcome of coaching/mentoring

<table>
<thead>
<tr>
<th>Totally Dissatisfied</th>
<th>Extremely Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
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<td>2</td>
<td>6</td>
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<tr>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
</tr>
</tbody>
</table>

Part 4: Founder Level of Confidence

1. To what extent is it true that:

(a) I can always manage to solve difficult problems if I try hard enough.
(b) If someone opposes me, I can find the means and ways to get what I want.
(c) It is easy for me to stick to my aims and accomplish my goals.
(d) The world is run by a few people in power and there’s not much I can do about it.
(e) I am confident that I could deal efficiently with unexpected events.
(f) Growing my business depends on being in the right place at the right time.
(g) Thanks to my resourcefulness, I know how to handle unforeseen situations.
(h) It is difficult to have much control over the things politicians do in office.
(i) I can solve most problems if I invest the necessary effort.
(j) I can remain calm when facing difficulties because I can rely on my coping abilities.
(k) Many times I feel as though I have little influence over what happens to me.
(l) When I am confronted with a problem, I can usually find several solutions.
(m) If I am in trouble, I can usually think of a solution.
(n) It is not always wise to plan too far ahead because many things turn out to be a matter of good and bad fortune anyway.
(o) I can usually handle whatever comes my way.

Not at all True | Exactly True
----------------|--------------------|
1                | 7                   |
2                | 6                   |
3                | 5                   |
4                | 4                   |
5                | 3                   |
6                | 2                   |
7                | 1                   |

THANK YOU FOR SPENDING TIME ON THE BRW FAST 100 SURVEY!