

Managerial Coaching Model and the Impact of its Activities on Employee Satisfaction and Company Performance

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The article tries to answer the research question: What is the potential additive effect on employee satisfaction and overall company performance when using managerial coaching model and its activities? The purpose of the article has been to form a model of managerial coaching and of the influence of its activities on employee satisfaction and overall company performance based on theory review and field study results. We have confirmed the two main hypotheses and all the secondary hypotheses with two empirical studies, one focused on the managers and the other on the employees. The topic is of practical value and it will help managers in Slovenia and abroad to understand the effect of the activities of coaching on employee satisfaction and overall company performance.

Key words: coaching, employee satisfaction, company performance, management, model

Introduction

Economy has shown its extreme instability in recent years. It is becoming increasingly difficult to reach the set goals. On the other hand, this crisis presents an excellent opportunity to increase the company's performance. Investing in human capital is nowadays the most lucrative and also the safest – the human capital can be endlessly ennobled, its value can only increase and, most importantly, it is the only form of capital that cannot be stolen (Mihalič 2006, 1). People, therefore, are becoming more and more important in the

company; managers and employees alike represent the company's advantage over others. It is important that employees feel well when doing their job, are motivated, or satisfied. Of equal importance is manager's correct usage of his or hers managerial skills as it effects employee satisfaction and company performance. The purpose of the article has been to form a model of managerial coaching and of the influence of its activities on employee satisfaction and overall company performance based on theory review and field study results.

Theoretical Framework

There are many factors (Turk et al. 2001; Dimovski and Penger 2008; Arens and Loebbecke, 2000; Vukasović and Ružman 2013; Forte 2014) that influence company performance. It is inherent that all employees have good understanding of the strategy of their company and of the key initiatives in place in order to realize said strategy; the management also has to implement suitable ways of measuring performance. When measuring, it is of key importance to measure in a manner the employees understand (Cokins 2006, 42).

Skilled personnel is therefore one of the key factors in achieving company performance. A successful business pays a lot of attention to training its staff and updating their practices. It also encourages employees. A successful operation is based on teamwork, i. e. all the team members pursue the same goals and values.

Measuring company performance is of key importance to be able to strategically update, train, and change the company. If incorrect indicators are used for measuring company performance, there is no drive for change. Choosing correct indicators for measuring company performance is therefore very important, because the managers and the leadership base their actions on those measurements.

Based on company performance definition and theoretical basis for its measurement, we define the following key indicators of company's performance: (i) cost management, (ii) product profitability, (iii) profit, (iv) income growth, (v) cash flow, (vi) customer satisfaction, retention and acquisition, and (vii) employee satisfaction, retention and productivity. There have already been several measurement instruments described in available literature (Bodlaj 2009; Gruca and Rego 2005; Arh 2010; Jorritsma and Wilderom 2012; Burian et al. 2014); we have modified the established measurement scales to fit our study.

Employee satisfaction is a complex concept; it demands knowledge and various skills for its interpretation. It is the sum of partial

(dis)satisfactions that sway one way or the other. Authors have different definitions of employee workplace satisfaction (George and Jones 1996, 70; Hollenbeck and Wright 1994, 176; Cahill 1996, 164; Maister 2003, 272; Oakley 2004, 15; Topolsky 2000, 128). Managerial aspect of employee satisfaction forms one of the basic constructs in our study (constructs in the coaching framework, employee satisfaction construct and company performance construct).

Every manager who wants to pride himself with his business achievements knows that satisfied employees are a key prerequisite. A manager and a company are only as strong as the human capital in it.

Numerous studies (Pohlmann 1999; Oswald and Clark 1996; Desmarais 2005; Parent-Thirion et al. 2007; Škerlavaj et al. 2007) have been carried out in order to determine the factors that influence employee satisfaction. People are different: what one may perceive as satisfactory the other perceives as dissatisfactory. Lawler (1994, 83) states that there is an infinite number of factors, just as there is an infinite number of needs.

Our study focused on managerial aspects of employee satisfaction. Based on that and the theoretical framework describing measurement of employee satisfaction, we define the following factors of employee satisfaction: (i) job content, (ii) individual creativity, (iii) salary, extras and benefits, (iv) organization of work, (v) teamwork, (vi) working conditions, (vii) independence at work, (viii) job stability and safety, safety at the workplace, (ix) relationships, (x) possibility for training and education, (xi) ownership participation, (xii) communication, (xiii) personality, and (xiv) societal influences. We used the stated factors when measuring employee satisfaction. We used established measurement scales in the available literature (Porter and Steers 1973; Brayfield and Rothe 1951; Cammann et al. 1983; Gounaris 2006) and modified them to fit our study.

Company performance from the managerial point of view can be improved with employees that are satisfied with their job. The other basis of every successful business, in our opinion, is employing qualified people that are able to take part in highly creative and successful teams and are instrumental in realization of the company's strategic plan.

In recent years, many companies (and especially managers) in the United Kingdom and Western Europe have started studying and implementing coaching in order to contribute to: (i) personal and professional development of the employees, (ii) building pleasant relationships, (iii) building career, (iv) managing the business, (v) plan-

ning the development, (vi) setting of strategic goals, (vii) setting of business plans, (viii) building of values, and, last but not least, (ix) employee workplace satisfaction.

The word 'coach' originates in the French word 'coche', which means a carriage. In the past 'coaching' was used to describe traveling with a carriage. 'Coach' is therefore a vehicle that drives an individual or a group 'from a starting point to a suggested goal' (Stemberger 2008).

There are various definitions of managerial coaching (Čeč 2006; Megginson and Clutterbuck 2007; Lehinsky 2007; Stemberger 2008). We could say there are as many definitions of coaching as there are schools for it. Stemberger (2008) claims that the key element that differs coaching from other disciplines that help individual employees and companies to evolve, is the manager – coach that helps each individual and company to find an independent solution that leads in the right direction. The manager does not consult on the best path, but instead helps employees get there on their own.

Managerial coaching, in our conviction, is a process in which coaching has to become a way of private as well as professional life. Coach has to see the potential in his employees, see what they can evolve into. The key mission a coach has is guiding employees so they can take advantage of their hidden talents and skills, and creating an environment that drives employees to evolve into better and more successful people.

Authors (e.g. Jarvis 2006) are citing numerous advantages and benefits of managerial coaching: (i) progress in mission, (ii) progress in activity reflection, (iii) increased self-awareness and awareness of consequences of actions, (iv) progress in balanced decision making when multitasking, and, (v) progress in communication.

Our study defines managerial coaching as a method that provides support and opportunity for consulting to individual employees as well as entire staff by managers – coaches so that individual employees and entire staff become aware of the way to improve their job performance and workplace satisfaction. Determining activities that are the foundation of measurements of effectiveness of coaching is of key importance; it is the only way to bring focus to actions that can bring desired effects and results. Based on definition and theoretical foundation for measuring managerial coaching we defined the following activities (constructs) of managerial coaching: (i) empathy, (ii) assertive communication, (iii) decision making ability, (iv) strategic thinking, (v) delegation, (vi) work optimization, (vii) broadening of horizon, (viii) conflict resolution, (ix) effective meet-

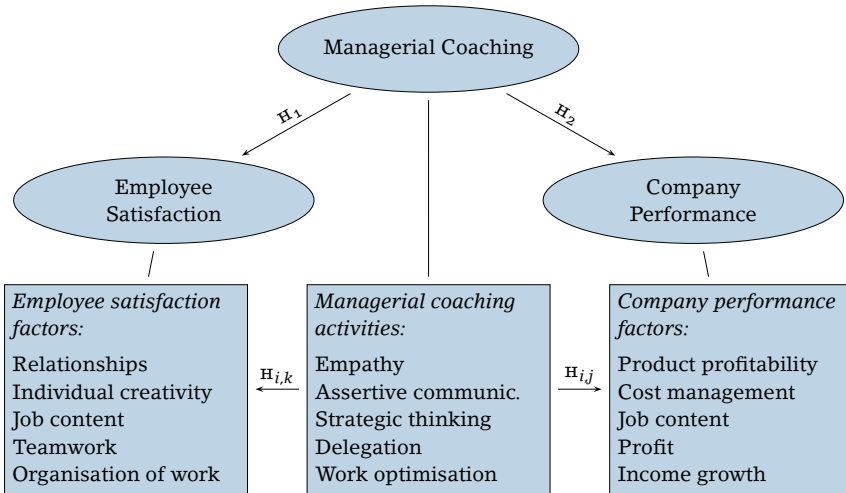


FIGURE 1 Managerial Coaching Model

ing conduction, (x) improved public appearance skills, and (xi) increased employee’s commitment to the company. We used the stated activities to measure managerial coaching effectiveness. We used established measuring instruments and scales (Spector 1997; Gounaris 2006; Možina 1992; Boles et al. 2007; Covin, Slevin and Schultz 1994; Porter and Steers 1973) for measuring managerial coaching effectiveness and modified them to study the effect of managerial coaching on employee satisfaction and company performance. Based on the available literature, studies already carried out, and established measurement scales, we developed a model of managerial coaching and of the effects of its activities on employee satisfaction and on company performance. Figure 1 presents our managerial coaching model.

It stems from the thesis: companies can, with some care put into implementing components of managerial coaching model, significantly influence employee satisfaction and company performance. We took five managerial coaching constructs and measured their effect on the constructs of employee satisfaction and company performance. That was followed by analysis of the effect of the five managerial coaching constructs on five components of employee satisfaction construct and on four components of the company performance construct.

With this model, the management will be able to use new criteria of company performance that were traditionally ‘hidden’ and, in our

opinion, represent untapped potential for increasing added value in company's business.

The purpose of the empirical part of our study was to use the managerial coaching model to determine and present guidelines that managers can use to extract the best possible results from their employees, and to suggest a managerial style that will result in better employee satisfaction, more efficient managers and higher company performance.

Methodology

Here we describe empirical testing of the managerial coaching model and the hypotheses that we had posed. The empirical starting point was designing measuring instruments (both for managers and employees) and compiling a sample of companies in Slovenia with more than ten employees. The study is based on the theoretical foundation, managerial coaching model, both discussed above, research methodology, and on the thesis, the two main hypotheses and the secondary hypotheses $H_{i,j}$ and $H_{i,k}$ ($i = 1, 2, 3, 4, 5; j = 1, 2, 3, 4, 5; k = 1, 2, 3, 4$).

As stated in the article, we deal with human resources. After reviewing available literature in the field and synthesizing the knowledge into new realizations, we tried to answer the fundamental research question: *What is the potential added effect of using managerial coaching model and its activities on employee satisfaction and company performance?*

Thesis

The thesis tries to answer the research question. It states:

Companies can, with some care put into implementing components of managerial coaching model, significantly influence employee satisfaction and company performance.

To confirm the thesis we tested the following two hypotheses:

- H_1 *Implementing managerial coaching model positively influences employee satisfaction.*
- H_2 *Implementing managerial coaching model positively influences company performance.*

We tested the correlation among the constructs of coaching and the individual components of employee satisfaction and company performance:

- $H_{i,j}$ *Implementing activity i of the managerial coaching model positively influences factor j of the employee satisfaction.*

$H_{i,k}$ *Implementing activity i of the managerial coaching model positively influences factor k of the company performance.*

$i = 1, 2, 3, 4, 5$; $j = 1, 2, 3, 4, 5$; $k = 1, 2, 3, 4$. Here we state all the $H_{i,j}$ and $H_{i,k}$ hypotheses we tested in order to confirm the two main hypotheses and, consequently, the thesis. We separately state the secondary hypotheses we tested on the sample of managers and the sample of employees.

The sample of managers was tested for the following hypotheses:

H_1 *Implementing managerial coaching model positively influences satisfaction of managers.*

Construct i of managerial coaching model positively influences satisfaction of managers.

H_{11} *Empathy positively influences general satisfaction of managers.*

H_{21} *Assertive communication positively influences general satisfaction of managers.*

H_{31} *Strategic thinking positively influences general satisfaction of managers.*

H_{41} *Delegation positively influences general satisfaction of managers.*

H_{51} *Work optimization positively influences general satisfaction of managers.*

H_2 *Implementing managerial coaching model positively influences company performance.*

Construct i of the managerial coaching model positively influences company performance.

H_{12} *Empathy positively influences company performance.*

H_{22} *Assertive communication positively influences company performance.*

H_{32} *Strategic thinking positively influences company performance.*

H_{42} *Delegation positively influences company performance.*

H_{52} *Work optimization positively influences company performance.*

1st construct of coaching – empathy – influences individual components of company performance.

H_{12a} *Empathy positively influences product profitability.*

H_{12b} *Empathy positively influences cost management.*

H_{13c} *Empathy positively influences profit.*

H_{14d} *Empathy positively influences income growth.*

2nd construct of coaching – assertive communication – positively influences individual components of company performance.

H_{21a} *Assertive communication positively influences product profitability.*

H_{22b} *Assertive communication positively influences cost management.*

H_{23c} *Assertive communication positively influences profit.*

H_{24d} *Assertive communication positively influences income growth.*

3rd construct of coaching – strategic thinking – influences individual component of company performance,

H_{31a} *Strategic thinking positively influences product profitability.*

H_{32b} *Strategic thinking positively influences cost management.*

H_{33c} *Strategic thinking positively influences profit.*

H_{34d} *Strategic thinking positively influences income growth.*

4th construct of coaching – delegation – influences individual components of company performance.

H_{41a} *Delegation positively influences product profitability.*

H_{42b} *Delegation positively influences cost management.*

H_{43c} *Delegation positively influences profit.*

H_{44d} *Delegation positively influences income growth.*

5th construct of coaching – work optimization – influences individual components of company performance,

H_{51a} *Work optimization positively influences product profitability.*

H_{52b} *Work optimization positively influences cost management.*

H_{53c} *Work optimization positively influences profit.*

H_{54d} *Work optimization positively influences income growth.*

As stated, the sample of managers was tested for the following correlations among: (i) the coaching constructs and general satisfaction of managers (H₁₁ through H₅₁), (ii) the coaching constructs and company performance construct (H₁₂ through H₅₂), and (iii) the coaching constructs and individual components of company performance (H_{11a} through H_{54d}).

The sample of employees was tested for the following hypotheses:

H₁ *Implementing managerial coaching model positively influences employee satisfaction.*

Coaching construct *i* influences employee satisfaction.

H₁₁ *Empathy positively influences employee satisfaction.*

H₂₁ *Assertive communication positively influences employee satisfaction.*

H₃₁ *Strategic thinking positively influences employee satisfaction.*

H₄₁ *Delegation positively influences employee satisfaction.*

H₅₁ *Work optimization positively influences employee satisfaction.*

1st coaching construct – empathy – influences employee satisfaction.

H_{11a} *Empathy positively influences relationships.*

H_{12b} *Empathy positively influences individual creativity.*

H_{13c} *Empathy positively influences job content.*

H_{14d} *Empathy positively influences teamwork.*

H_{15e} *Empathy positively influences organization of work.*

2nd coaching construct – assertive communication – influences employee satisfaction.

H_{21a} *Assertive communication positively influences relationships.*

H_{22b} *Assertive communication positively influences individual creativity.*

H_{23c} *Assertive communication positively influences job content.*

H_{24d} *Assertive communication positively influences teamwork.*

H_{25e} *Assertive communication positively influences organization of work.*

3rd coaching construct – strategic thinking – influences employee satisfaction.

H_{31a} *Strategic thinking positively influences relationships.*

H_{32b} *Strategic thinking positively influences individual creativity.*

H_{33c} *Strategic thinking positively influences job content.*

H_{34d} *Strategic thinking positively influences teamwork.*

H_{35e} *Strategic thinking positively influences organization of work.*

4th coaching construct – delegation – influences employee satisfaction.

H_{41a} *Delegation positively influences relationships.*

H_{42b} *Delegation positively influences individual creativity.*

H_{43c} *Delegation positively influences job content.*

H_{44d} *Delegation positively influences teamwork.*

H_{45e} *Delegation positively influences organization of work.*

5th coaching construct – work optimization – influences employee satisfaction.

H_{51a} *Work optimization positively influences relationships.*

H_{52b} *Work optimization positively influences individual creativity.*

H_{53c} *Work optimization positively influences job content.*

H_{54d} *Work optimization positively influences teamwork.*

H_{55e} *Work optimization positively influences organization of work.*

As stated, the sample of employees was tested for the correlation among: (i) the coaching constructs and the employee satisfaction construct (H₁₁ through H₅₁), and (ii) the coaching constructs and individual components of employee satisfaction (H_{11a} through H_{55e}).

The Course of the Study and the Research Methodology Used

The course of the study we describe here is based on the theoretical foundation discussed above. That gave us the contextual foundation for our model of managerial coaching and of the effect of its activities on employee satisfaction and company performance. We then designed the model and proceeded to carry out a preliminary quantitative study to analyze and evaluate existing measurement scales dealing with individual managerial coaching constructs, employee satisfaction construct and company performance construct, as well as individual components of the employee satisfaction construct and of the company performance construct. We based the design of our measurement instrument on the expertise of Spector (1997), Gounaris (2006), Možina (1992), Porter and Steers (1973), and others. We also used other information we gained with an in depth examination of the available literature on the topic of coaching, employee satisfaction, company performance, and their interconnections.

Measurement of the influence the coaching activities exert on employee satisfaction and company performance was based on a combination of activities, factors and indicators found in existing scales available in the literature. The final measurement instruments were combined from coaching constructs, employee satisfaction construct, company performance construct, their components and one one-dimensional variable:

1. *Coaching constructs*: empathy, strategic thinking, assertive communication, delegation, work optimization;
2. *Employee satisfaction construct*;
3. *Employee satisfaction construct components*: job content, individual creativity, organization of work, teamwork, relationships;
4. *Company performance construct*;

5. *Company performance construct components*: cost management, product profitability, profit, income growth;
6. *One-dimensional variable*: general satisfaction.

Having designed the two measurement instruments, we then verified their contextual validity. We chose a test sample and tested the two measurement instruments and evaluated their dimensionality, reliability, discriminatory and convergent validity. The goal of the test study and the actual study was to determine dimensionality. In order to achieve that, we performed exploratory factor analysis (EFA) and confirmatory factor analysis (CFA), as suggested by Gerbing and Anderson (1988, 187–90).

The main empirical study was based on measurements taken in February and March of 2014; it was a cross-sectional study. We first collected the data via electronic polling on the chosen sample. The collected data was then processed using the following software: (i) IBM SPSS 21.0 (basic analysis, EFA, OLS regression – hypotheses testing), (ii) IBM SPSS AMOS 20.0 (CFA) and (iii) Microsoft Excel 2010 (basic analysis). For data processing we predominantly used uni- and multi-variate processing methods. The univariate analysis of the data or the descriptive statistical analysis of coaching, employee satisfaction and company performance, was followed by combining individual components and their factors into constructs. Next, we tested the hypotheses of managerial coaching model. We tested it using regression analysis on the level of constructs and on the level of their individual components. We first defined the main constructs (the managerial coaching constructs, the employee satisfaction construct and the company performance construct) using multiple variables – components; we later transformed those into a multidimensional variable using factor analysis producing one or two factors. Based on results we determined whether coaching activities influence employee satisfaction and company performance using regression analysis. Next, we tested for connections among individual coaching constructs and individual components of the employee satisfaction construct and the company performance construct. As stated above, we limited ourselves to testing only the influence of an individual coaching construct on an individual component of employee satisfaction and company performance and not vice-versa.

We present the results of the two empirical studies below: (i) quantitative study on the sample of managers, who are coaches in their companies, and (ii) quantitative study on the sample of employees. Based on the result of these two studies and the managerial coach-

ing model, we tested the two main hypotheses and the secondary hypotheses ($H_{i,j}$ and $H_{i,k}$; $i = 1, 2, 3, 4, 5$; $j = 1, 2, 3, 4, 5$; $k = 1, 2, 3, 4$).

Quantitative Study on the Sample of Managers

The final measurement instrument (questionnaire) for managers was comprised of questions, statements and scales for: (1) coaching activities, (2) general satisfaction, (3) company performance from financial standpoint compared with competition, and (4) general properties of the company. The questionnaire contained 32 questions and statements, with demographical details included.

We first determined the sample for the study. We decided to include businesses with more than 10 employees. Using randomization, the final sample consisted of 2,800 businesses: 1,700 small, 745 mid-sized and 355 large businesses. We got responses from 571 managers. The acquired data was the basis for testing the main and secondary hypotheses.

Here we present the general characteristics of the businesses included in the study. Of the included businesses, 84% were service companies, 4% were production companies, and 12% were commercial companies. Based on the Slovenian Companies Act ('Zakon o gospodarskih družbah' 2006), 53% of the included companies were small, 25% mid-sized, and 22% were large. We also gathered data about the level of management from the managers' standpoint. Of the responding managers, 46% were considered top level management, 31% mid-level, and 23% low level; 13 of them (2%) did not answer the question. Considering the seniority of the respondents, 52% had seniority of 21 years or more and only 2% had less than a year of seniority.

In table 1, we present a summary of results of statistical analysis for basic constructs that were used for testing the main and the secondary hypotheses. This table presents the results we got using CFA analysis and serves as a foundation for testing the main and the secondary hypotheses.

Quantitative Study on the sample of Employees

The final questionnaire for the employees was comprised of questions, statements and scales for: (1) coaching activities, (2) general satisfaction, (3) employee satisfaction, and (4) employee's demographic details. The questionnaire contained 32 questions and statements, demographic details included.

We received 728 responses to our questionnaire. Acquired data

TABLE 1 The Summary of Results of Statistical Analysis of Main Constructs

Constructs	Statement/component	(1)	(2)	(3)	(4)
Empathy	I can manage emotions of others (advise, soothe). (Q2a)	0.238	0.487	0.73	0.41
	I can defend my point of view; I am a good leader. (Q2b)	0.558	0.683		
	I can influence employees without creating pressure. (Q2c)	0.384	0.620		
	I usually help other employees. (Q2e)	0.467	0.747		
Assertive communication	I carefully listen to the employee I am discussing with and understand what he wants to communicate to me. (Q4b)	0.642	0.801	0.91	0.73
	I am capable of being diplomatic even in tense situations. (Q4c)	0.751	0.866		
	I can say 'No' depending on the situation. (Q4e)	0.685	0.828		
	Employees perceive my communication style as clear and comprehensible. (Q4f)	0.835	0.914		
Strategic thinking	I can foresee the need for different information sources (Q3b)	0.406	0.637	0.89	0.62
	I can morph my wishes into realistic goals. (Q3d)	0.651	0.807		
	I can define the necessary work stages. (Q3e)	0.742	0.861		
	I can prepare a business plan. (Q3f)	0.727	0.853		
Delegation	Cause-consequence links interest me. (Q3g)	0.579	0.761		
	I can delegate evenly among the employees. (Q5a)	0.672	0.820	0.92	0.75
	When delegating I provide enough information. (Q5b)	0.674	0.821		
	I inform employees of changes and news in the company. (Q5c)	0.735	0.857		
Work optimization	Upon completion of delegated task I check its effectiveness. (Q5d)	0.918	0.958		
	I can simplify work process. (Q6a)	0.870	0.933	0.95	0.84
	I can correctly assign responsibility based on employee's abilities. (Q6b)	0.959	0.979		
	I can correctly select and set up work tools. (Q6c)	0.798	0.893		
Company performance	I can select fitting operators. (Q6d)	0.736	0.858		
	Product profitability – ROI (Q14a)	0.747	0.864	0.96	0.86
	Gross profit – EBIT (Q14b)	0.948	0.973		
	Cost management (Q14c)	0.854	0.924		
	Income growth (Q14d)	0.880	0.938		

NOTES Column headings are as follows: (1) R^2 , (2) λ coefficient, (3) composite reliability, (4) average variance extracted.

was the foundation for testing the main and the secondary hypotheses.

Here we present the general characteristics of the responding employees. Eighty-three percent of them worked in service companies, 10% worked in production companies, and 7% worked in commercial companies. The majority worked in small companies (48%), 38% in mid-sized, and 14% in large companies. Half of them were employed as independent professionals, 33% as operative chiefs and 16% as operators; 1% was employed in different positions: one in administration and six as professional assistants. Thirty-one percent of responding employees had more than 21 years of seniority, 24% had 6–9 years, 2% had less than one year, and 1% had 16–20 years.

In table 2, we present the summary of results of statistical analysis of main constructs we used for testing the main and the secondary hypotheses. This table presents results we got using CFA analysis and served as a basis for testing the main and the secondary hypotheses. We review the results of the testing of the main and the secondary hypotheses and present the final model of managerial coaching below.

Results of the Testing of the Main and the Secondary Hypotheses Based on the Study Results

In table 3 and table 4, we summarize the results of the testing of the main and the secondary hypotheses, based on the two studies presented above. We present the results of regression analysis.

Table 3 shows we have confirmed hypotheses H_1 and H_2 , which means we have confirmed the correlation among individual coaching constructs and the employee satisfaction construct (based on one-dimensional variable) and also confirmed the correlation among individual coaching constructs and company performance construct. We have also confirmed hypotheses H_{11} through H_{51} and H_{12} through H_{52} entirely, which means that the correlations among individual coaching constructs and constructs of employee satisfaction and company performance are appropriate and possible. Last but not least, we have confirmed secondary hypotheses (H_{11a} through H_{54d}) meaning we have confirmed the correlations among the coaching constructs and individual components of company performance.

In table 4 we can see we have confirmed H_1 , which means we have confirmed the correlation among individual coaching constructs and the employee satisfaction construct. Confirming hypotheses H_{11} through H_{51} means that correlations among individual coaching constructs are appropriate and possible. Having confirmed all of the

TABLE 2 The Summary of Results of Statistical Analysis of Main Constructs

Constucts	Statement/component	(1)	(2)	(3)	(4)
Empathy	My superior can manage emotions of others. (Q2a)	0.686	0.829	0.85	0.60
	My superior can defend his point of view; he is a good leader. (Q2b)	0.505	0.711		
	My superior can influence us. employees. without creating pressure. (Q2c)	0.673	0.820		
	My superior recognizes his and other people's emotions. (Q2d)	0.516	0.718		
Assertive communi- cation	My superior is able of being diplomatic even in tense situations. (Q4c)	0.780	0.883	0.96	0.87
	My superior can say 'No' depending on the situation. (Q4e)	0.865	0.930		
	My superior is always clear and comprehensible in his responses. (Q4f)	0.906	0.952		
	My superior does not lobby. (Q4g)	0.926	0.962		
Strategic thinking	My superior often comes to independent conclusions. (Q3c)	0.470	0.686	0.92	0.74
	My superior can morph wishes into realistic goals. (Q3d)	0.798	0.893		
	My superior can define work stages well. (Q3e)	0.966	0.983		
	My superior can prepare a business plan. (Q3f)	0.712	0.844		
Delegation	My superior delegates tasks evenly. (Q5a)	0.839	0.916	0.98	0.92

Continued on the next page

secondary hypotheses H_{11a} through H_{55e} , we confirmed the correlations among the coaching constructs and individual components of employee satisfaction.

Having confirmed all of the posed hypotheses we can also confirm the thesis and state that companies can, with some care put into implementing components of managerial coaching model, significantly improve employee satisfaction and company performance.

Our recommendations to managers are: (i) measure the influence of coaching activities on employee satisfaction and company performance more frequently, based on those measurements the management can improve employee satisfaction and company performance, (ii) managerial coaching is, in our opinion, often overlooked but it can provide a way of overcoming crisis without any major changes, (iii) measuring of employee satisfaction and company performance makes possible a debate about successfulness of the com-

TABLE 2 *Continued from the previous page*

Constucts	Statement/component	(1)	(2)	(3)	(4)
	My superior provides us, employees, with enough information when delegating. (Q5b)	0.897	0.947		
	My superior informs us, employees, of changes and news in the company. (Q5c)	0.980	0.990		
	Upon completion of delegated task my superior checks its effectiveness. (Q5d)	0.956	0.978		
Work optimization	My superior can simplify work process. (Q6a)	0.922	0.960	0.98	0.91
	My superior can correctly assign responsibility depending on our abilities. (Q6b)	0.932	0.965		
	My superior correctly selects and sets up the work tools for us. (Q6c)	0.943	0.971		
	My superior correctly selects fitting operators. (Q6d)	0.835	0.914		
Employee satisfaction	... with relationships (among managers and employees). (Q8g)	0.964	0.982	0.99	0.96
	... with job content. (Q8k)	0.959	0.979		
	... with organization of work. (Q8l)	0.938	0.969		
	... with possibility of personal creativity. (Q8m)	0.922	0.960		
	... with teamwork. (Q8n)	1.000	1.000		

NOTES Column headings are as follows: (1) R^2 , (2) λ coefficient, (3) composite reliability, (4) average variance extracted.

pany among managers, employees and owners, (iv) the knowledge of coaching activities and its implementation in the company presents a competitive advantage (in countries like the UK, the USA, France, China, each company needs to employ at least one certified manager – coach).

Conclusion

We have established that implementation of activities of managerial coaching model has positive additive effect on employee satisfaction and company performance. This finding can serve as an excellent starting point for activities following this study.

We also have to state that by confirming both of the main hypotheses H_1 and H_2 as well as all of the secondary hypotheses $H_{i,j}$ and $H_{i,k}$ ($i = 1, 2, 3, 4, 5; j = 1, 2, 3, 4, 5; k = 1, 2, 3, 4$) we have confirmed the thesis of this paper.

The original scientific contributions of the described study are: (1) original design of an instrument for measuring the influence of managerial coaching activities with confirmed reliability and validity, (2)

TABLE 3 The Results of the Main and the Secondary Hypotheses Testing:
Sample of Managers

Posed hypothesis	Findings
H ₁ Implementing managerial coaching model positively influences satisfaction of managers.	+
H ₁₁ Empathy positively influences satisfaction of managers.	+
H ₂₁ Assertive communication positively influences satisfaction of managers.	+
H ₃₁ Strategic thinking positively influences satisfaction of managers.	+
H ₄₁ Delegation positively influences satisfaction of managers.	+
H ₅₁ Work optimization positively influences satisfaction of managers.	+
H ₂ Implementing managerial coaching model positively influences company performance.	+
H ₁₂ Empathy positively influences company performance.	+
H ₂₂ Assertive communication positively influences company performance.	+
H ₃₂ Strategic thinking positively influences company performance.	+
H ₄₂ Delegation positively influences company performance.	+
H ₅₂ Work optimization positively influences company performance.	+
H _{12a} Empathy positively influences product profitability.	+
H _{12b} Empathy positively influences cost management.	+
H _{13c} Empathy positively influences profit.	+
H _{14d} Empathy positively influences income growth.	+
H _{21a} Assertive communication positively influences product profitability.	+
H _{22b} Assertive communication positively influences cost management.	+
H _{23c} Assertive communication positively influences profit.	+
H _{24d} Assertive communication positively influences income growth.	+
H _{31a} Strategic thinking positively influences product profitability.	+
H _{32b} Strategic thinking positively influences cost management.	+
H _{33c} Strategic thinking positively influences profit.	+
H _{34d} Strategic thinking positively influences income growth.	+
H _{41a} Delegation positively influences product profitability.	+
H _{42b} Delegation positively influences cost management.	+
H _{43c} Delegation positively influences profit.	+
H _{44d} Delegation positively influences income growth.	+
H _{51a} Work optimization positively influences product profitability.	+
H _{52b} Work optimization positively influences cost management.	+
H _{53c} Work optimization positively influences profit.	+
H _{54d} Work optimization positively influences income growth.	+

defining coaching with the following activities/constructs: (i) empathy, (ii) assertive communication, (iii) strategic thinking, (iv) delegation and (v) work optimization, (3) first ever measurement of influence of coaching activities on employee satisfaction factors and com-

TABLE 4 The Results of the Main and the Secondary Hypotheses Testing:
Sample of Employees

Posed hypothesis	Findings
H ₁ Implementing managerial coaching model positively influences employee satisfaction.	+
H ₁₁ Empathy positively influences employee satisfaction.	+
H ₂₁ Assertive communication positively influences employee satisfaction.	+
H ₃₁ Strategic thinking positively influences employee satisfaction.	+
H ₄₁ Delegation positively influences employee satisfaction.	+
H ₅₁ Work optimization positively influences employee satisfaction.	+
H _{11a} Empathy positively influences relationships.	+
H _{12b} Empathy positively influences individual creativity.	+
H _{13c} Empathy positively influences job content.	+
H _{14d} Empathy positively influences teamwork.	+
H _{15e} Empathy positively influences organization of work.	+
H _{21a} Assertive communication positively influences relationships.	+
H _{22b} Assertive communication positively influences individual creativity.	+
H _{23c} Assertive communication positively influences job content.	+
H _{24d} Assertive communication positively influences teamwork.	+
H _{25e} Assertive communication positively influences organization of work.	+
H _{31a} Strategic thinking positively influences relationships.	+
H _{32b} Strategic thinking positively influences individual creativity.	+
H _{33c} Strategic thinking positively influences job content.	+
H _{34d} Strategic thinking positively influences teamwork.	+
H _{35e} Strategic thinking positively influences organization of work.	+
H _{41a} Delegation positively influences relationships.	+
H _{42b} Delegation positively influences individual creativity.	+
H _{43c} Delegation positively influences job content.	+
H _{44d} Delegation positively influences teamwork.	+
H _{45e} Delegation positively influences organization of work.	+
H _{51a} Work optimization positively influences relationships.	+
H _{52b} Work optimization positively influences individual creativity.	+
H _{53c} Work optimization positively influences job content.	+
H _{54d} Work optimization positively influences teamwork.	+
H _{55e} Work optimization positively influences organization of work.	+

pany performance factors, (4) original design of an instrument for measuring employee satisfaction from the managerial standpoint, (5) defining employee satisfaction as a construct of the following factors/components: (i) job content, (ii) individual creativity, (iii) organization of work, (iv) teamwork, and (v) relationships, (6) measuring employee satisfaction from the managerial point of view, (7) defin-

ing and verifying the connections among employee satisfaction factors and coaching activities, (8) clarification and confirmation of the influence of coaching activities on employee satisfaction factors, (9) original design of an instrument for measuring company performance factors, (10) defining company performance as a construct of the following factors/components: (i) cost management, (ii) product profitability, (iii) profit, and (iv) income growth, (11) clarification and confirmation of the influence of the coaching activities on company performance from the managerial point of view.

In our opinion, the topic of the paper is extremely relevant: the results will help the Slovenian and foreign managers to understand the influence the coaching activities have on employee satisfaction and company performance. Employees and individuals can use the results of our study to familiarize themselves with a number of methods and models that will help them make coaching activities more accessible to individuals and, in doing so, contribute to a higher level of general and workplace satisfaction.

The results our study produced will help the responsible managers to enrich aptitude and successfulness of companies in Slovenia and abroad. All in all, implementing managerial coaching activities in a company presents a possible way out of a crisis the economy finds itself in at the moment. A manager who is a coach in his company can foster social responsibility in his employees, his company, and in society, all of which represent a foundation for a state's existence.

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