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Coaching in Organizations (A Study on the Implementation of Coaching in Indonesian Banking)

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Abstract: This study aims to see how far the implementation of coaching in major banks in Indonesia. These banks were chosen because of their great influence on the Indonesian economy. This study is interesting because according to its purpose, coaching will be able to trigger individual performance that will have an impact on organizational performance. Although until now there has been no single agreement on the definition of coaching, the coaching methods used in these banks are similar. This study uses a qualitative approach by conducting interviews through purposive sampling. Informants are people who play a very important role in planning, implementing and evaluating the coaching that is carried out. Thematic analysis was carried out to classify the data obtained. As a result, there are differences among these banks in carrying out the coaching process. The benefit of this study is that we can find out the path that can be used to optimize the coaching process in order to form a coaching culture.

Keyword: Coaching, Coaching Culture, Indonesia Bank, qualitative study.

INTRODUCTION

The national economy is supported by a healthy banking system. Banks play a crucial role in selecting, allocating, and channeling funds to ensure economic activities continue to move, grow, and advance sustainably. A stable and healthy banking sector forms the foundation for driving economic growth and improving public welfare (Nasfi et al., 2022). Based on Core Capital, the Financial Services Authority (OJK) categorizes banks into four KBMI (Commercial Bank Business Groups) under OJK Regulation no. 12/POJK.03/2021 Article 147: KBMI 1 includes banks with core capital up to IDR 6 trillion; KBMI 2 includes banks with core capital between IDR 6-14 trillion; KBMI 3 comprises banks with core capital ranging from IDR 14-70 trillion; and KBMI 4 covers banks with core capital exceeding IDR 70 trillion.

According to Statistics Indonesia (BPS) on one of its platforms, Indonesia has 1,575 People's Credit Banks and 105 Commercial Banks, consistently ready to provide services to Indonesian citizens to foster economic growth and welfare (Statistik, 2023). Bank Indonesia's Banking Survey shows positive activity in new credit disbursement during the first three months of 2024, with a Weighted Net Balance (WNB) of 60.8%, encompassing all types of credit (Prakoso, 2024).

This is indeed encouraging news. However, we must also note a survey by the Global Center for Digital Business Transformation, which reveals that the financial services sector ranks as the fourth most vulnerable to disruption, following Hospitality/Travel, Retail, and Media & Entertainment (Transformation et al., 2015). In today's era of disruption, banking faces significant challenges to sustain and grow without adapting. Consequently, banks must digitally transform to cope with these conditions. As widely recognized, digital transformation has become critical for adapting to changing environments across various sectors, including banking (Vives, 2019). According to (Kane, 2019), humans are the most critical element in digital transformation. One effective method for transforming individuals is coaching, which focuses on individual transformation but also has the potential to impact organizations and professional environments (Horvath et al., 2024).

Coaching is defined as a future-oriented dialogue (based on Socratic Dialogue) between a facilitator (coach) and a participant (coachee), where the facilitator employs open-ended questions, active listening, summarization, and reflection aimed at stimulating self-awareness and personal responsibility in the participant (Passmore & Fillery-Travis, 2011). The Socratic Dialogue, documented in Greece over 2,000 years ago, is often cited as the precursor to coaching. Socrates preferred to teach his students by asking questions rather than providing answers, believing that questions could stimulate thought and foster new ideas. Socrates is considered one of the first coaches, even though the term "coach" emerged much later (Neenan, 2009; Whitmore, 2010).

As with coaching definitions, there is no consensus on the definition of a coaching culture. One definition suggests that a coaching culture is one where principles, beliefs, and mindsets guiding workplace behavior are deeply rooted in coaching discipline. This discipline involves consistently practicing coaching and its principles, ultimately fostering new habits within individuals and organizations (Clutterbuck et al., 2016). From this definition, it becomes clear that impactful coaching is disciplined coaching that shapes new habits, which influence individual performance and, ultimately, organizational performance.

This study explores the implementation of coaching within the banking sector. It aims to comprehensively examine coaching processes in banking. A qualitative approach has been chosen to facilitate an in-depth exploration, as studies on coaching within the banking industry are still limited. The findings of this study are expected to reveal facts surrounding coaching practices, contributing to the development of a coaching culture within Indonesian banking.

THEORETICAL FRAMEWORK Coaching

Over the last 40 years, there has been a significant increase in research on coaching, reflecting growing interest among researchers in this field (Koopman et al., 2021). The International Coaching Federation (ICF), a global nonprofit organization, defines coaching as a partnership with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential (Passmore & Sinclair, 2020).

Various researchers have proposed other definitions of coaching, as presented in the following table:

Tabel 1. Definition of Coaching According to Researchers: Diverse Perspectives and Approaches

Researcher	Definision of Coaching
Parsloe, 1992	Coaching is directly related to improving performance and skill development through a tutorial or instructional approach.
Whitmore, 1992	Unlocking a person's potential to maximize their own performance. It helps them learn rather than teaching them.
Grant, 2001	A collaborative, solution-focused, goal-oriented, systematic process where a coach facilitates improvements in work performance, life experience, self-directed learning, and personal growth.
Downey, 1993	The art of facilitating the performance, learning, and development of others.
Whitworth et al., 1998	A strong alliance designed to advance and enhance the learning process, effectiveness, and human fulfillment.
Peltier, 2010	Psychological skills and methods used in a one-on-one relationship to help someone become a more effective manager or leader.
Passmore and Fillery-Travis, 2011	A future-oriented dialogue (based on Socratic Dialogue) between a facilitator (coach) and participant (coachee), using open-ended questions, active listening, summarization, and reflection to stimulate self-awareness and personal responsibility.
Lai, 2014	A reflective process between coach and coachee aimed at helping or facilitating the coachee to experience positive behavioral change through ongoing dialogue and negotiation with the coach to meet personal or professional goals.
Kilburg, 1996, p 142	A helping relationship between a client with managerial authority and responsibility in an organization and a consultant using behavioral techniques and methods to achieve agreed-upon goals, enhancing client performance and satisfaction and organizational effectiveness.
Bachkirova et al., 2010, p. 1	A human development process involving structured and focused interactions and appropriate strategies, tools, and techniques to facilitate desired and sustainable change for the coachee.

Source: (Passmore & Sinclair, 2020)

The coaching process often unlocks previously untapped imagination, productivity, and leadership capabilities. Additionally, coaching can anticipate potential failures (Stambaugh & Mitchell, 2018), facilitate self-discovery, and help individuals become effective leaders (Taylor et al., 2019). As a coach, specific competencies must be fulfilled. Among the internationally recognized competencies are those established by the International Coaching Federation (ICF). ICF competencies are divided into four domains, with no single domain or competency considered superior to another. Each is deemed essential for a competent coach to demonstrate.

The first domain is Foundation, which encompasses demonstrating ethical practice by consistently applying coaching ethics and standards and adopting a coaching mindset that is open, curious, flexible, and client-centered. The second domain, Creating Relationships, involves establishing and maintaining agreements by partnering with clients and stakeholders to create clear understandings about the coaching relationship, process, plans, and goals. This also includes fostering trust and safety by creating a supportive environment where clients can share freely and maintaining a presence that is fully aware and confident during coaching sessions.

The third domain is Effective Communication, which focuses on active listening to understand what is communicated in the context of the client’s system and evoking awareness by facilitating insights and learning through tools like powerful questions, metaphors, or analogies. Finally, the fourth domain, Fostering Learning and Growth, involves facilitating client growth by partnering with them to translate learning and insights into actionable steps, thereby enhancing their autonomy in the coaching process (Powers, 2023).

In conversations between coach and coachee, coaching sessions often follow five phases (Van Zyl et al., 2020). The first phase is Building Rapport, which involves clarifying expectations, fostering good relationships, and creating a conducive environment. The second phase, Strength Profiling and Feedback, includes assessing strengths, personality, and values. The third phase, Developing an Ideal Vision, entails envisioning the client's "perfect version" or their best possible self. The fourth phase focuses on Goal Setting and Execution Based on Strengths, which optimizes, develops, and utilizes the client's strengths. Finally, the fifth phase, Closing and Renewing the Learning Contract, involves organizing self-driven, evidence-based activities to consolidate learning.

As noted earlier, researchers have not reached a consensus on the definition of a "coaching culture." However, any organization implementing coaching aspires to establish a coaching culture where principles, beliefs, and mindsets guiding workplace behavior are deeply rooted in coaching discipline. This culture is achieved through consistent coaching practices (Clutterbuck et al., 2016).

The development of a coaching culture can be categorized into four stages. In the Nascent Stage, organizations show little to no commitment to creating a coaching culture. Coaching, though occasionally conducted, is inconsistent in quality and frequency, and management fails to set a good example. In the Tactical Stage, organizations recognize the importance of coaching but lack a comprehensive understanding of its implementation. Coaching and mentoring systems are introduced but remain poorly integrated into broader HR systems.

The Strategic Stage reflects significant efforts to educate managers and employees on coaching's importance while equipping them with the skills to execute coaching confidently in various situations. Managers are rewarded or penalized based on their engagement with coaching, but informal coaching practices still lag behind formal ones. Finally, in the Embedded Stage, coaching becomes deeply integrated at all organizational levels, both formally and informally. Senior executives may even receive guidance from junior colleagues, and 360-degree feedback is widely used. This stage fosters open dialogue and respect, encouraging individuals to raise difficult issues as opportunities for personal and organizational growth.

METHOD

This research employs a qualitative approach, chosen because it aims to interpret phenomena without relying on numerical measurements (Zikmund et al., 2012). The data collection plan will use purposive sampling to select informants most likely to provide information relevant to the study's targets. The targeted informants are:

1.Planners, policy makers, implementers, and evaluators of coaching programs conducted in banks.

2.Consultants certified by international institutions who have worked at the banks mentioned in point 1 and have undertaken or are currently engaged in projects at those banks.

The total number of informants is eight: four individuals from different banks and the other four are consultants. This number is adequate and aligns with previous research (Baker & Edwards, 2012).

The study is scheduled to take place from September to November 2024. To obtain the desired data, in-depth interviews with informants will be conducted. Interviews are a two-way communication method used to gather information through a series of fluid questions, enabling the collection of sought-after data (Sahoo, 2022). The purpose of these interviews is to obtain information regarding the implementation of coaching that has been carried out.

The interview results will be transcribed and analyzed using thematic analysis. Thematic Analysis is a qualitative process that extracts data from interviews into codes and then translates them into significant information for this research (Rozali, 2022). The obtained transcripts will be coded to identify themes emerging from the responses of the selected informants.

RESULTS AND DISCUSSION

Informants

Ms. A, the first informant, is a key figure in policy-making related to coaching programs at Bank W. She has worked at Bank W since graduating from university, with a total service period of 28 years, including 17 years in the Education and Training division.

Mr. B, the second informant, is an employee of Bank X with 21 years of service. He started his career at entry-level positions, working as a frontliner, deskman, mantri, marketer, and in credit before moving to the Education and Training division, where he has worked for the past nine years.

Mr. C, the third informant, previously led the Education and Training division at Bank Y and served as a corporate coach, ensuring that coaching was implemented in business units to improve performance. He has more than 25 years of work experience.

Mr. D, the fourth informant, has been with Bank Z for 25 years and has been deeply involved in operations. He acts as an internal consultant and serves as a coach for his team members.

Ms. E, the fifth informant, is an International Coach Federation (ICF)-certified coach who currently works as a consultant. With 20 years of experience, she has been actively involved in coaching programs in the banking industry.

Mr. F, the sixth informant, is an ICF-certified coach and mentor who also works as a consultant. He has 19 years of experience in banking and coaching.

Mr. G, the seventh informant, is the founder of a consultancy firm that serves banking clients. He has been involved in designing, implementing, delivering, and evaluating the "Leader as Coach" program for several banks.

Mr. H, the eighth informant, is an ICF-certified coach with 28 years of experience. Currently, he works as a consultant and facilitator for coaching programs in the banking sector.

Discussion Finding 1: Banks Implement Coaching Programs

The first finding confirms that all the banks included in this study have implemented coaching programs. This is supported by statements from Ms. A, Mr. B, Mr. C, and Mr. D.

Ms. A shared that coaching was introduced at Bank W around 2010–2011 as part of efforts to create a new habit. She highlighted that coaching was initially unfamiliar, but consistent efforts by the Learning and Human Capital departments helped establish it as a regular practice.

Mr. B mentioned that coaching at Bank X has been operational for about 7–8 years, with significant focus over the past five years.

Meanwhile, Mr. C and Mr. D confirmed that coaching programs have been implemented but did not specify their starting years. These statements were further corroborated by consultant informants, who affirmed the presence of coaching practices across the banks involved in this study.

Finding 2: Despite the differences in scale and activities, coaching is implemented with specific objectives for each bank, but the overarching goal remains the same: improving performance.

This is evident from the following statements:

Ms. A: “If you ask why coaching was initially introduced at our bank, it was definitely for succession planning, for the next generation. We also needed to develop our talent. Technically, employees joining our bank already have a solid foundation in banking knowledge, and future leaders also undergo preparation. But we need to develop talent further and prepare the next generation. That’s why we adopt the 10-20-70 model, where 20% involves coaching and mentoring. Coaching is part of our people development program. Development isn’t just about the ‘what’ but also the ‘how.’ So, in the 10-20-70 model, 10% involves training, 20% involves guidance activities like coaching and mentoring, and 70% is on-the-job, experience-based learning. That’s essentially how we approach it.”

Mr. B: “Coaching and mentoring can be implemented anywhere. But in a company setting, it’s crucial to view them conceptually. When done ideally, coaching and mentoring are extremely important. They significantly impact employee performance, which in turn directly improves company performance.”

Mr. C: “Coaching is conducted to enhance performance. I was once selected as a corporate coach, and we routinely visited business units to provide coaching to improve their performance.”

Mr. D: “We regularly hold weekly meetings where we discuss and address the issues our teams face. I ask about their challenges, and we collaboratively discuss solutions.”

These statements show that coaching is applied in various activities, ranging from succession planning and employee capacity building to weekly meetings. However, the unifying goal remains improving performance. This aligns with the objectives outlined in the book Coaching for Performance (Whitmore, 2010). Similarly, consultants Ms. E, Mr. F, Mr. G, and Mr. H** noted that during their training sessions, simulations, and role-playing in banking classes, the emphasis consistently centered on performance improvement.

Finding 3: Variations in Coaching Culture Development Across Banks

Ms. A: “Well, usually what we apply is a three-step process to create a culture. People need to be forced, then they feel compelled, and eventually, it becomes a habit. How are they forced? Initially, it wasn’t included in the KPI, but the system was already in place. People were required to input data, but it wasn’t linked to the KPI. So, we first informed them. Then HC (Human Capital) followed up by letting them know that their inputs were being reviewed.

HC would say, ‘This is incorrect,’ or ‘This hasn’t been filled in,’ or ‘This section is too vague.’ They provided comments one by one. Over time, as people gained more understanding and skills, the compulsion deepened. That’s when it was linked to the KPI and officially included. In the process of being forced, people eventually felt compelled to comply. But we didn’t just leave them to it; we provided training sessions and introduced ambassadors. This ensured that the compulsion was carried out properly because they understood its benefits. For example, once coaching was included in the KPI, people had no choice but to do it. However, they did it correctly because we continuously guided them. There was training, and we repeatedly emphasized the purpose and benefits—both for the coach and the coachee. As a result, people became compelled to act but did so correctly. Eventually, this became the norm.”

According to Ms. A, Bank W has implemented coaching in a structured and gradual manner, aligned with employees' understanding. Starting with feedback from HC on leaders' reports, they introduced training sessions and integrated coaching into leaders' KPIs. However, this was not a straightforward process. Ms. A highlighted that it took 7–8 years to reach this stage, requiring consistent effort and perseverance from everyone involved.

If we relate Ms. A's explanation to the concept of a Coaching Culture, the characteristics described indicate that Bank W has reached the Strategic Level of coaching culture.

In contrast, Banks X, Y, and Z are still at the Tactical Level, as evidenced by the following observations:

1.Coaching has been integrated into internal learning management systems (LMS) but not yet incorporated into KPIs, making the structure less robust than Bank W's approach.
2.There is a lack of rigorous evaluation, sometimes causing coaching to revert to mentoring practices.
3.The fast-paced nature of daily work often leads to a preference for mentoring over coaching.
4.The impact of managerial role models in promoting coaching is not yet fully realized.
5.Leaders and employees have not consistently experienced tangible benefits from coaching in improving performance.

CONCLUSION

The findings indicate that Bank W has achieved the highest level of coaching implementation compared to other banks. This success is attributed to the commitment of all stakeholders involved, strict evaluation controls, high engagement levels, and consistent efforts to build a coaching culture over time. The steps taken by Bank W can serve as a model for other organizations seeking to develop a coaching culture. Future research should include quantitative studies to evaluate the extent to which coaching programs contribute to business processes in the banking sector.

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