The Authentic Leadership Qualities of Business Coaches and its Impact on Coaching Performance

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Abstract

This study determines the extent to which business coaches perceive they possess the qualities of authentic leadership and considers how this affects coaching performance. Data were collected from an online survey administered to 96 business coaches who work with entrepreneurs and business owners to improve personal and business effectiveness. Multiple regression research methodology was used to test the strength of authentic leadership in predicting coaching. Descriptive statistics were used to control for demographic factors and dependent variables. Findings suggest that effective coaching involves the application of authentic leadership qualities that enhance the work performance, life experience, self-directed learning, and personal growth of clients. This research contributes to the existing literature on authentic leadership, provides new research on the relationship between authentic leadership and business coaching, and demonstrates how a business coach’s authentic leadership impacts the client’s personal and business goals.

Key Words: authentic leadership, authentic leadership development, business coaching, business coaching performance.

Introduction

A business coach supports clients to improve their personal and business effectiveness in a business context (Gale, Lijenstrand, Pardieu, & Nebeker, 2002). Business coaching, has been described as a natural conversation between coach and client that follows a predictable process leading to superior performance, commitment to sustained improvement, and positive relationships (Kinlaw, 2002). Business coaching encompasses a wide range of clients, from business and non-profit leaders from corporate executives to fortune 500 CEOs to small- and mid-size entrepreneurs. In this study, we explore the coach-client relationship from the perspective of the business coach’s leadership style. More specifically, this research examines the authentic leadership qualities of the business coach and describes the impact authentic leadership has on the business coach’s effectiveness in obtaining the client’s goals.

Authentic leadership (AL) refers to a leadership style in which the leader demonstrates to others a genuine and honest desire to understand their leadership in order to serve others more effectively (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). AL is a pattern of leader behavior that draws upon and promotes both positive psychological capacities and a positive ethical culture. Moreover, AL fosters greater self-awareness, balanced processing of information, an internalized moral perspective,
and a relational transparency on the part of leaders working with followers, enabling their positive self-development.

Self-awareness refers to the awareness and trust a person has in his/her values, feelings, motives, and cognitions. On a deeper level, self-awareness is awareness of inherent contradictory self-aspects, which can influence thoughts, feelings, actions, and behaviors (Ilies, Morgeson, & Nahrgang, 2005). Balanced processing is at the core of personal integrity and character. Not only does integrity and character influence decisions and action, but it also has implications for well-being (Gavin, Quick, Cooper, & Quick, 2003). Internalised moral perspective posits that a coach who is perceived by the client as morally authentic will be afforded greater influence and will have increased positive effects on the client (Hannah, Lester, & Vogelgesang, 2005). Relational transparency requires the willingness to hold oneself open for inspection and feedback, thereby facilitating a more effective learning process (Popper & Lipshitz, 2000).

Well-trained business coaches know that an engaged client has the potential to be not only a successful client, but also has the potential to generate more referrals for future business. Absent the presence of AL, business coaches are not as capable of motivating the client to remain engaged, and are not as effective in guiding clients toward their dreams, missions, purposes, and goals (Morrison, 2001). AL is critical to business coaching because AL has the ability to establish unconditional trust between coach and client, leading to a free exchange of knowledge and information which can result in positive outcomes, such as increased personal and business performance (Ilies et al., 2005).

Business coaching is a relevant context within which to study the impact of AL on business coaches’ behavior because the business coach is often employed to improve clients’ leadership-related issues (Manz & Sims, 1989). Business coaching is also relevant because in recent years, the business coaching industry has grown to include executives, fortune 500 leaders and entrepreneurs, and small- to mid-size entrepreneurial leaders (Walzer & Athiyaman, 2007). As the demand for business coaches grows, there has become an increased interest in characterising the methods in which business coaches are providing coaching to their client (Hudson, 1999; Kampa-Kokesch & Anderson, 2007; Kilburg, 2007; Olesen, 1996; Sorohan, 1994).

The aim of this research is to determine the extent to which business coaches perceive they possess the qualities of AL, and how AL affects coaching performance measured as the coaches’ perceived effectiveness in obtaining the client’s personal and business goals set by the client and the coach. The contribution of this study, to the existing domain of authentic leadership, is noteworthy. Firstly, authentic leadership is a relatively new construct and very few studies have been done to measure reliability and validity in a business coaching setting. Secondly, this study provides solid reasons, with the help of a literature review, that show the authentic leadership qualities of business coaches is important to the success of clients. Finally, business coaches and business coaching organisations can use this study in the development of business coaches’ effectiveness in obtaining the client’s personal and business goals set by the client and the coach.

Literature Review

There is a significant body of literature in the field of AL from both the applied research (Gardner & Schermerhorn Jr., 2004; George, 2007; George, Sims, McLean, & Mayer, 2007) and academic
management domains (Avolio et al., 2004; Avolio & Gardner, 2005; Avolio & Luthans, 2006). From a practical perspective, George et al. (2007) purported that being authentic is not trying to imitate someone else. While we all learn from others’ experiences, we cannot be successful when we are trying to be like someone else. People trust us when we are genuine, authentic, and not a replica of someone else. A central premise in the academic literature is that authentic leaders foster the development of authenticity in followers and, in turn, followers’ authenticity contributes to their well-being and the attainment of sustainable and veritable performance (Avolio & Gardner, 2005).

Authenticity in the context of leadership first emerged from the fields of sociology and education (Chan, Hannah, & Gardner, 2005). Seeman (1960) focused his empirical and conceptual research on inauthenticity, which purported a view of excessive plasticity on the part of the leader seeking to comply with perceived demands arising from public roles. When the construct validity of Seeman’s scale for measuring inauthenticity was questioned by Brumbaugh (1971), it fell out of favor. Subsequently, Henderson and Hoy (1983) revived Seeman’s construct with the field of educational leadership and redefined an inauthentic leader as someone who is overly compliant with stereotypes and demands related to the leader role.

While the most pronounced historical definition of authenticity is “be true to oneself,” a phrase first used by Shakespeare, Harter (2002) captures the essence of what it takes to be an authentic leader via an overview of multiple authenticity constructs in the literature. Heidegger (1962) originated the foundational construct of authenticity as he argued that authenticity becomes visible during times of radical social change. His theory is constructed on the premise that when confronted with change, there is a conflict between the individual responsibility for autonomy and freedom, and the social responsibility to uphold the shared norms and values of the community. According to Heidegger, radical social change is a prerequisite for observable authenticity.

Rogers (1959) developed some of the most prominent AL constructs from the discipline of psychology. Social psychologists Deci and Ryan (2000) and Kernis (2003a) then refined and clarified empirical research developments regarding the mechanism by which authenticity increases self-esteem. In a study conducted by Kernis, authenticity scores were positively related to life satisfaction and high self-esteem, and were negatively related to contingent self-esteem and negative effect. The most distinguished social psychological constructs were developed by Avolio et al. (2004) who argued that moral development was a prerequisite for AL advancement. Moral development occurs when an authentic leader repudiates unethical behavior as it occurs and develops a collective ethical culture. Followers are likely to emulate this ethical culture when faced with an ethical dilemma, because ethical behavior is now the norm to which they have been socialized (Lord & Brown, 2004).

Initial definitions of coaching in the management literature stressed a fundamental emphasis on the contribution to improve individual and organisational performance (Fourines, 1987; Evered and Selman, 1989; Popper and Lipshitz, 1992). Contemporary definitions tend to define coaching as a method and draw a stronger link with learning and development and assisting individuals or teams to reach their full potential (Grant, 2006; Peterson, 1996; Kampa-Kokesch and Anderson, 2001). Defined in the context of this business coaching study as the achievement of the client’s personal and business goals, this study measures coaching performance by quantifying the relationship between AL and coaching performance both at the personal and business level. In real-world contexts, coaches’ performance encompasses
personal and business objectives and aspirations, as well as traditional accounting measures such as sales growth, market share, and profitability (Lumpkin & Dess, 1996).

Business coaching differs from other forms of coaching (e.g. executive coaching and life-coaching which are person specific) in that the focus is on skill development of the client, which is required to achieve business outcomes, rather than on the personal or career goals of the person being coached. Hamlin, Ellinger, and Beattie (2008) assert that the definitions can be classified into four main variants: coaching; executive coaching, business coaching and life coaching. Ives, (2008) purported a distinction between approaches to coaching that are oriented to personal development and more “therapeutic” in orientation from those which are solution focused, while Summerfield (2006) put more emphasis on the process than the client and categorizes approaches to coaching as either being acquisition-based (obtaining a new ability) or transformational (inciting personal change). This assessment of coaching as enabling growth rather than directing it (i.e. conducting the process rather than directing outcomes) is key to the goal-oriented coaching that is the focus of this paper. Goal-oriented coaching is focused on the realisation of clear, stated goals, rather than the problem analysis characteristic of more therapeutic forms of coaching (Grant and Cavanagh, 2004).

There is mounting evidence that an authentic approach to leading is desirable and effective for advancing the human enterprise and achieving positive and enduring outcomes in organisations (George 2007). For instance, personal benefits of authenticity, as shown by mounting evidence from social, cognitive, and positive psychology as well as organisational studies, include more “optimal” levels of self-esteem, higher levels of psychological well-being, enhanced feelings of friendliness, and elevated performance (Kernis, 2003). When business coaches act upon their true values, beliefs, and strengths, while helping clients to do the same, higher levels of well-being will accumulate, which in turn have been shown to positively impact follower performance (Ryan & Deci, 2000).

May, Chan, Hodges, and Avolio (2003) argue that authentic leaders are those who are able to integrate their ethical behavior fully into both their personal and organisational lives, creating an ethical climate that focuses on the employees and the stakeholders and recognizing their inherent worth. By defining unethical dimensions of inauthentic leadership, the link between authentic leadership and ethical behavior is clarified. Inauthentic leaders are disingenuous and unscrupulous. They often display the qualities of an ethical leader, although actually seek power and position at the expense of their followers. Whereas authentic leaders have vision with a sense of responsibility to the client to the point of self-sacrifice, inauthentic leaders have vision but cannot be trusted and are willing to sacrifice followers for their own purposes.

In these times of corporate distrust, which have been fueled by scandals and the demoralization of financial institutions, the public is demanding greater transparency and accountability from organisational leaders (Dealy & Thomas, 2006). Clients of business coaches are increasingly mindful of the need for transparency and ethical behavior and will likely look for these characteristics in their business coaches. Just as stakeholders are observed going to great lengths to hold boards of directors accountable (Aguilera, 2005), clients of business coaches will hold the business coach more accountable. Consistency between what business coaches say and what they do will determine where credibility and trust develop more rapidly (Simons, 2002).
The research tested AL’s influence on the performance of business coaches. The dependent variable for this study was coach’s perceived effectiveness in obtaining client’s personal and business goals set by the client and the coach. The principal independent variable was coach’s AL, measured by the four factors of self-awareness, relational transparency, internalized moral perspective, and balanced processing. Independent variables that were included in the study as covariates in the AL-coaching performance relationship were the coach’s demographic characteristics, gender, age, education, and ethnicity, and the coach’s perceived time to improve coaching effectiveness. The conceptual model shown in Figure 1 depicts the hypothesized relationship between the coach’s perceived impact of their AL on their coaching effectiveness, while controlling for demographic factors and time to improve coaching effectiveness.

Prior research studies have been undertaken regarding the impact of authentic leadership (AL) on follower behavior (e.g., Avolio et al., 2004; Avolio & Gardner, 2005; Avolio & Luthans, 2006). This research extends the literature with an empirical investigation of the impacts of AL on coaching effectiveness. Specifically, the purpose of this study was to determine the extent to which business coaches perceived that they possess the qualities of authentic leadership as proposed by Walumbwa et al. (2008), and consequently, how their perceptions of AL would affect their coaching performance, measured as their perceived effectiveness in obtaining the client’s personal and business goals.

AL was evaluated in this study by Walumbwa et al.’s (2008) 16-item Authentic Leadership Questionnaire (ALQ) delivered within a 25-item online survey designed measure the perceived AL characteristics of business coaches working to improve the personal and business effectiveness of their clients. The first section of the 25-item survey was comprised of 5 items that gathered data on the demographic characteristics of the participants (N = 96). The next segment of the survey consisted of the 16 ALQ items that assessed the perceived behavioral characteristics of a business coach’s AL attributes.
These AL attributes were self-awareness, balanced processing, internalized moral perspective, and relational transparency.

**Methodology**

The objective of the current research was to determine the impact of authentic leadership (AL) on coaching effectiveness in a sample of business coaches. Three research questions were derived from the extant literature that address how AL impacts follower behaviour. However, there has not been a specific study linking AL to business coaching performance.

RQ1: Is Authentic Leadership as measured in a sample of business coaches a valid construct comprised of the four factors of self-awareness, balanced processing, internalized moral perspective, and relational transparency?

RQ2: Does Authentic Leadership affect coaching performance measured as the coach’s perceived effectiveness in obtaining the client’s personal and business goals set by the client and the coach?

RQ3: What is the role of the coach’s demographic characteristics and their perceived time to improve coaching effectiveness on the authentic leadership-coaching effectiveness relationship?

These three research questions were tested by three null hypotheses:

Ho1: The coach’s perceived AL is not validly measured by the four factors of self-awareness, balanced processing, internalized moral perspective, and relational transparency.

Ho2: The coach’s perceived AL does not affect their coaching effectiveness, operationally defined as the coach’s perceived effectiveness in obtaining the client’s personal and business goals.

Ho3: The coach’s demographic characteristics and perceived time to improve coaching effectiveness do not impact the relationship between AL and coaching effectiveness.

The survey comprised items that assessed the demographic characteristics of the business coaches, items that assessed the coaches’ perceived AL, items that assessed the coaches’ perceived time to improve the clients’ personal and business effectiveness, and items that assessed the coaches’ perception that the clients obtained their personal and business goals. The survey data were analyzed using regression-based inferential statistics and structural equation modeling to test the following three research hypotheses concerning the relationships between AL, demographic characteristics, time to improve coaching effectiveness, and coaching effectiveness.

The independent variable of the study, authentic leadership, was assessed via the 16-item Authentic Leadership Questionnaire (ALQ) (Walumbwa et al., 2008). The ALQ assessed AL along the four factors of self-awareness (4 items), balanced processing (3 items), internalized moral perspective (4 items), and relational transparency (5 items). Each ALQ item asked the coach to judge the frequency with which each item fit her leadership style along a 5-point Likert scale, 1-5 (Not at all, Once in a while, Sometimes, Fairly often, Frequently, if not always). The four ALQ factors were combined into a composite AL variable, and each set of ALQ items was combined into a composite AL factor. The survey assessed the covariate independent variable, time to coaching effectiveness, via two sets of items that asked the coach to estimate the time required to significantly improve the client’s personal effectiveness (4 items) and business effectiveness (5 items), ranging from 2 months to 18 months. Time to improve the client’s personal effectiveness was estimated for communication, interpersonal, time management, and goal
setting skills; time to improve the client’s business effectiveness was estimated for marketing, sales, customer service, human resources, and financial management skills. Each set of skills was combined into the respective composite: time to improve personal effectiveness, and time to improve business effectiveness. All 9 items were combined into a composite time to improve coaching effectiveness. Finally, section four of the survey assessed the main dependent variable of the study, coaching effectiveness, via two items that asked the coach to rate how effective he was in obtaining the client’s personal and business goals along a 6-point Likert scale, 1-6, (Strongly Disagree, Disagree, Slightly Agree, Agree, Agree, Strongly Agree). The two items were combined into a composite coaching effectiveness variable.

Results

Data from 96 business coaches were used for descriptive and inferential quantitative statistical analysis and for structural equation modeling. For each statistical procedure, all available data were used. For all inferential statistics, significance was evaluated at the 95% confidence level (alpha = .05, two-tail tests). Descriptive statistics for the demographic characteristics included frequency analysis and chi-square tests for equality of distribution. Descriptive statistics for AL, coaching effectiveness, and time to improve coaching effectiveness included means, standard deviations, and standard errors of the means.

The psychometric properties of the AL construct and the four factors comprising it were evaluated for reliability and validity prior to calculating any inferential statistics. The null hypothesis Ho1 was tested using CFA such that acceptable construct validity would indicate rejection of Ho1. Hypothesis testing of the null hypotheses Ho2 and Ho3 were conducted using ANOVA and multiple regression. Specifically, ANOVA was used to test the difference between AL, time to improve coaching effectiveness, and coaching effectiveness within each demographic characteristic. Multiple regression was used to test the significance of AL in predicting coaching effectiveness with and without demographic characteristics and time to improve coaching effectiveness included as covariates.

In preparation for conducting the inferential statistics to test Ho2 and Ho3, the descriptive statistics of the primary independent variable of the study, authentic leadership, the covariate independent variable of the study, coaching effectiveness, and the dependent variable of the study, coaching effectiveness, were generated. As shown in Table 1, ANOVA tests found that the mean AL scores and the mean time to improve coaching effectiveness as estimated by the coaches (from 2 to 18 months) did not significantly vary across the demographic characteristics. For gender and age, the results presented in Table 2 are similar to Table 1 in that the mean scores for coaching effectiveness did not significantly vary across these demographic variables. However, Table 2 shows that the mean scores for coaching effectiveness varied significantly across the education and ethnicity demographic variables according to ANOVA. Tukey post hoc tests found that for education, coaching effectiveness and business effectiveness scores were significantly different between the categories “Some Undergrad” and “Bachelor Degree”. For ethnicity, Tukey post hoc tests found that coaching, personal, and business effectiveness scores were significantly different between the “Hawaiian/Pacific” and “Caucasian + African-American” categories. Taken together, the results of Tables 1 and 2 suggest that tests for the significant effects of AL on coaching effectiveness need to investigate the influence of the education and ethnicity of the coaches.
Table 1. Mean and SD of Authentic Leadership and Time to Improve Coaching Effectiveness Across Demographic Characteristics

<table>
<thead>
<tr>
<th>Demographic Characteristic</th>
<th>AL M</th>
<th>SD</th>
<th>Time to CE M</th>
<th>SD</th>
<th>Time to PE M</th>
<th>SD</th>
<th>Time to BE M</th>
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<td>30-39</td>
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</tr>
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<td>4.25</td>
<td>---</td>
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*Note.* Data are mean and standard deviation (SD) Authentic Leadership (AL) scores, time to improved coaching effectiveness (CE) scores, time to improved personal effectiveness (PE) scores, and time to improved business effectiveness (BE) scores across each demographic variable. No significant difference between scores within demographic characteristic was found according to ANOVA.

Table 2. Mean and SD of Coaching Effectiveness Across Demographic Characteristics

<table>
<thead>
<tr>
<th>Demographic Characteristic</th>
<th>CE M</th>
<th>SD</th>
<th>PE M</th>
<th>SD</th>
<th>BE M</th>
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Table 3 presents results of linear regression tests in which the dependent variables, coaching effectiveness (CE), personal effectiveness (PE), and business effectiveness (BE) were regressed on authentic leadership (AL) and its four constitutive factors, self-awareness (SA), balanced processing (BP), internalized moral perspective (IMP), and relational transparency (RT). As shown, AL was found to be a significant predictor of CE ($p = .028$), PE ($p = .036$), and BE ($p = .048$), such that a one unit increase in AL significantly predicts an increase in coaching effectiveness of .901 (i.e., approximately 1 unit rating scale increase for coaching effectiveness). Similarly, the AL factor SA was found to be a significant predictor of CE ($p = .017$), PE ($p = .034$), and BE ($p = .021$). The other three AL factors were not statistically significant.

<table>
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<tr>
<th>Ethnicity</th>
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<tr>
<td>Multiple</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
</tbody>
</table>

Note. Data are mean and standard deviation (SD) coaching effectiveness (CE) scores, personal effectiveness (PE) scores, and business effectiveness (BE) scores across each demographic variable.

*p < .05, **p < .01 significant difference between scores within demographic characteristic according to ANOVA.

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This study suggests that business coaches should consciously consider whether they employ the four characteristics of authentic leadership (AL), self-awareness (SA), balanced processing (BP), relational transparency (RT), and internalized moral perspective (IMP), when working to improve their coaching effectiveness (CE), which is comprised of personal effectiveness (PE) and business effectiveness (BE). In the coaching field, coaches’ performance is defined as the achievement of the client’s personal and business objectives and aspirations, as well as traditional accounting measures such as sales growth, market share, and profitability (Lumpkin & Dess, 1996). This research suggests that effective coaching involves the application of AL qualities that are the catalyst for a collaborative, result-oriented, solution-focused, and systematic process. With AL driving the behavior of the business coach, the coach can enhance the work performance, life experience, self-directed learning, and personal growth of clients (Grant & Greene, 2001).

Findings

This study suggests that business coaches should consciously consider whether they employ the four characteristics of authentic leadership (AL), self-awareness (SA), balanced processing (BP), relational transparency (RT), and internalized moral perspective (IMP), when working to improve their coaching effectiveness (CE), which is comprised of personal effectiveness (PE) and business effectiveness (BE). In the coaching field, coaches’ performance is defined as the achievement of the client’s personal and business objectives and aspirations, as well as traditional accounting measures such as sales growth, market share, and profitability (Lumpkin & Dess, 1996). This research suggests that effective coaching involves the application of AL qualities that are the catalyst for a collaborative, result-oriented, solution-focused, and systematic process. With AL driving the behavior of the business coach, the coach can enhance the work performance, life experience, self-directed learning, and personal growth of clients (Grant & Greene, 2001).

This study charted new territory in the apparent link between AL and business coaching performance and moved beyond the research that was explored in the literature. The study provides a theoretical framework (see Figure 1) supported by empirical research on the impact of a coach’s perceived AL on his perceived effectiveness in obtaining the client’s personal and business goals. This study was the first in which the Authentic Leadership Questionnaire (ALQ), developed by Walumbwa et al. (2008), was used to conceptualize AL in a business coaching setting. The theory-driven leadership survey instrument was administered to test whether the ALQ was reliable and valid in business coaching.

Table 4 summarizes the results of three hypothesis tests used to answer the study’s three research questions, and discusses the implications of the results for practice in business coaching settings and in settings where business coaches are being developed. Research question one of this study investigated whether the ALQ (2008) demonstrated reliability and validity in a business coaching setting when used to measure perception of AL in business coaches. The obtained results answer question one with a high degree of statistical significance through Cronbach’s alpha testing ($\alpha = .732$) and confirmatory factor analysis. Consequently, this study shows that the ALQ demonstrated reliability and validity when used to measure perceptions of AL in business coaches in business coaching settings.
Table 4. Overview of Study Results

<table>
<thead>
<tr>
<th>Research Questions and Hypotheses</th>
<th>Study Results</th>
<th>Literature Support</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ1: Is AL as measured in a sample of business coaches a valid construct comprised of the four factors of SA, BP, IMP, and RT? Ho1: The coach’s perceived AL is not validly measured by the four factors of SA, BP, IMP, and RT.</td>
<td>Reject Ho1. AL as measured by the ALQ is a reliable and valid construct in a sample of business coaches.</td>
<td>Bentler, 1990; 2007; Charter, 2003; Cronbach, 1951; Hinkin, 1998; Loehlin, 1998; Walumbwa et al., 2008</td>
<td>This study supported the literature that the ALQ demonstrates reliability and validity when administered to business coaches. This study assumed that a business coach is the leader and the client is the subordinate in the coaching relationship. The ALQ provided statistical support as a valid and reliable instrument when used in this business coaching setting. The ALQ provided similar results as those achieved in global settings. Given that this study was the first instance in which the ALQ was administered in a business coaching environment, opportunity for further testing and future research is warranted.</td>
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<tr>
<td>RQ2: Does AL affect coaching performance measured as the coach’s perceived effectiveness in obtaining the client’s personal and business goals set by the client and the coach? Ho2: The level of coach’s perceived AL does not affect their perceived effectiveness in obtaining the client’s personal and business goals.</td>
<td>Reject Ho2. Coach’s perception of AL is a significant predictor of their perceived effectiveness in obtaining the client’s personal and business goals.</td>
<td>Avolio &amp; Luthans, 2006; Gardner et al., 2005; Luthans, 2002; Luthans &amp; Avolio, 2009; Luthans &amp; Youssef, 2007</td>
<td>This study supported the literature that AL of a leader impact the follower’s behavior. The leader in this analysis was the business coach, and the follower was the client. This study provides support as to the value of a business coach’s AL characteristics in impacting the personal and business performance of clients.</td>
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<td>RQ3: What is the role of the coach’s demographic characteristics and their perceived time to improve CE in the AL-CE relationship? Ho3: The coach’s demographic characteristics and perceived time to improve CE do not impact the AL-CE relationship.</td>
<td>Reject Ho3. Coach’s demographic characteristics and their perceived time to improve CE do not have a significant impact on the AL-CE relationship. Education has a marginal impact on CE such that higher education predicts higher CE.</td>
<td>Doran, 1981; Drucker, 1963; Duffy et al., 2004; Grant &amp; Greene, 2001; Lakien, 1973; Lucky &amp; Minai, 2011; Lumpkin &amp; Dess, 1996</td>
<td>This study supported the literature that the educational characteristics of a leader have a positive impact on the follower’s behavior. Additionally, when controlling for all the demographic characteristics of the coach and the coach’s perceived time to improve coaching effectiveness, AL was found to be a significant predictor of CE. Thus, business coaches should seek to achieve maximum education regardless of their gender, age or ethnicity.</td>
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Note: AL = Authentic Leadership, BP = Balanced Processing, CE = Coaching Effectiveness, IMP = Internalized Moral Processing, RT = Relational Transparency, and SA = Self-Awareness.
Research question two sought to answer whether a business coach’s perception of AL would predict coaching performance. Regression analysis was conducted in which the dependent variable coaching performance, measured as the coach’s perceived effectiveness in obtaining the client’s personal and business goals set.

The results of a series of independent samples $t$-tests comparing the differences in coaching effectiveness scores among the three AL categories is shown in Figure 2. As shown, the main impact of AL category on coaching effectiveness occurred between the low and high categories, and between the low and med vs. the high category.

Figure 2. Summarised relationship between AL and CE

Applications for Practitioners

The findings in this study are extremely useful to business coaches, business coaching organisations, and clients of business coaches. Applications of the results for practitioners are summarized in Table 5. Practitioners that are looking to enhance the performance and effectiveness of business coaches can do so by augmenting the AL characteristics of business coaches. Results from this study suggest that coaching effectiveness, measured as the coach’s perceived effectiveness in obtaining the client’s personal and business goals set by the client and the coach, is positively affected by AL. Specifically, AL was found to
be a significant predictor of CE, PE, and BE such that a one unit increase in AL significantly predicts approximately a 1 unit increase in coaching effectiveness. This result is important to practitioners because it underscores the potential impact that AL and its constitutive factors have on CE. Furthermore, because the AL factor SA, in particular, was found to be a significant predictor of CE, PE, and BE, it should be given attention by coaches, coaching organisations, and business coaching trainers.

Table 5. Summary for Practitioners

<table>
<thead>
<tr>
<th>Authentic Leadership Factor</th>
<th>Practical Applications</th>
<th>Literature Support</th>
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<tbody>
<tr>
<td><strong>Self-Awareness</strong></td>
<td>The best method for business coaches to improve their self-awareness skill is by way of a 360-feedback process. Business coaches should practice both private and public self-consciousness. Public self-consciousness leads to increased self-disclosure and reciprocal self-disclosure resulting in higher self-awareness. Business coaches should possess a high degree of self-knowledge. They should: 1) Understand their own psychological strengths and emotional triggers, 2) Understand how their personality characteristics (such as gregariousness, need for approval, tendency to be judgmental, need for perfection, and control) affect their relationships with clients, 3) Know how family-of-origin, race, class, religion, and gender issues shape their attitudes, 4) Recognize their own feelings (frustration, vulnerability, elation, etc.) in “easy” and “difficult” coaching interactions.</td>
<td>Hagberg, 1996; Novak, Epstein &amp; Paulsen, 1999; Rosti &amp; Shipper, 1998; Shaffer &amp; Tomarelli, 1989; Shipper &amp; Dillard, 2000</td>
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<td><strong>Balanced Processing</strong></td>
<td>Practitioners should consider the need for occasional recalibration of their perception regarding what constitutes relevant data. Traditionally, reliance on hard data can subordinate soft, intangible data, such as social and emotional data, which should be considered in decision-making processes. Business coaches should seek out alternative, often competing perspectives on important issues. They should create the conditions for adaptive conflict. Authentic business coaches understand that all people are biased processors of information.</td>
<td>Avolio, 2005; Avolio &amp; Wernsing, 2007; Kernis, 2003; McDonald, 2009</td>
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<td><strong>Relational Transparency</strong></td>
<td>Business coaches may want to establish warmth and competence, particularly during first impressions. Inappropriate social or interpersonal interactions can ignite a fear response in a client that produces the judgment that someone is untrustworthy. Business coaches should not withhold information, say one thing but do another, and not being willing to receive or give feedback, as all erode transparency in relationships and reduce trust. Being transparent may cause feelings of vulnerability at times but coaches should not feel as vulnerable as to invoke anxiety or invite exploitation from others.</td>
<td>Avolio &amp; Gardner, 2005; Bar, Neta, &amp; Linz, 2006; Gardner et al., 2005; Luthans &amp; Avolio, 2003; Nugent &amp; Abolafia, 2006; Said, Baron, &amp; Todorv, 2009</td>
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<tr>
<td><strong>Internalized Moral Perspective</strong></td>
<td>Business coaches should seek to become more aware of their own potential moral deficiencies, including apathy, impulsiveness, lack of consideration, and inability to maintain goal-directed behavior, as these are impediments to AL. Business coaches must be courageous enough to act on their ethical intentions and to sustain ethical action despite countervailing pressures. Business coaches should role model ethical behavior, communicate with their clients about their ethical and values-based decisions, and teach their clients how to use reward systems to hold</td>
<td>Avolio &amp; Gardner, 2005; May, Chan, Hodges, &amp; Avolio, 2003; McDonald, 2010</td>
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followers accountable for ethical conduct. Business coaches who are seen as trustworthy, and who treat clients fairly and considerately, will develop social exchange relationships that result in clients reciprocating in positive ways.

Discussion

The findings in this study suggest that effective business coaching involves the application of authentic leadership qualities. With authentic leadership driving the behavior of the business coach, the coach can enhance the work performance, life experience, self-directed learning, and personal growth of clients. Results of this study found that of the four factors comprising AL, only self-awareness was statistically significant in predicting coaching effectiveness (CE). The implication of this finding is that self-awareness may have had a significant impact on CE because cognizance of your impact on other people enhances your ability to relate more effectively to clients in helping them achieve their goals (Kernis, 2003a). Furthermore, demonstration of self-awareness by coaches likely increases self-awareness among clients with beneficial results. Avolio and Luthans (2006) purport that greater self-awareness and self-regulated positive behaviors on the part of individuals in a leadership role, such as the business coach, foster their positive self-development.

Balanced processing, relational transparency, and internalized moral perspective, were not components of AL that significantly predicted CE. Nevertheless, Gardner et al. (2005) asserted that coaches who possess balanced processing qualities solicit views that challenge their deeply held positions so that the best ideas can be expressed. This factor is commonly in play within the coaching relationship since business coaches are constantly challenging clients to evaluate and reevaluate their perspectives and knowledge about business so that new thoughts can be advanced. Thus, business coaches should seek to enhance their balanced processing qualities.

Popper and Lipshitz (2000) reported that relational transparency impacts the willingness to hold oneself open for inspection and feedback, thereby facilitating a more effective learning process. This suggests that relational transparency may not be a significant factor in predicting CE because business coaches and coaches in general, are seen as subject matter experts, which may deter behavior that exposes any gaps in knowledge or expertise. Similarly, internalized moral perspective did not predict CE. Because a business coach’s internal individualized moral standards are expressed decision making (Gardner, et al., 2005), and since clients are encouraged to make their own decisions, it follows that this might not be a significant factor in CE.

Understanding the degree to which AL factors influence CE will be useful to researchers and practitioners because clients typically pay business coaches respectable fees for their service. Business coaches tend to request 12 to 18-month contracts with the expectations that their client’s business results will improve. The improvement depends, on large part, on the coach’s effectiveness.

Two questions included in the survey were used to assess attitudes toward personal and business goals. Business coaches were asked to rate their estimated effectiveness at helping the client reach her personal goals and business goals that were set by the client and coach. Results found that both personal and business goals were significantly impacted by AL, and that AL impacted either goal equally. Results also found that AL factors such as self-awareness impact CE such that a coach’s higher self-awareness
levels lead to higher levels of their perceived CE. This is an important implication in that it suggests that coaches and other individuals in a position of leadership should work to become more self-aware of their AL style. It is also important to discuss the relationship between self-awareness and ethics at this point in time because of the conceptual overlap between authentic leadership and ethical leadership. Specifically, authentic leadership is comprised of aspects of ethical leadership, defined as conduct through personal actions and interpersonal relationships that are normatively appropriate and that promote such conduct to followers by way of two-way communication, reinforcement, and decision-making (Brown & Treviño, 2006). Since ethical leadership is characterized by two foundational components, the moral person and the moral manager, it is important to recognize that the moral manager serves as an intentional and visible role model of values-based ethical behavior (Brown & Treviño, 2006). Thus, higher levels of self-awareness in the business coach may have a positive impact on their subsequent ethical behavior.

When considering the impact of demographic factors and time to improve CE on the AL-CE relationship, the regression found that while the covariates did not collectively appear to impact the strength of AL in predicting CE, time to improve was a negative predictor of CE (although the prediction was not significant), and education was a positive predictor of CE (with the prediction significant at \( p < .10 \)). The implication of these results is that as the coach’s estimated time to improve his CE decreases and becomes shorter; CE (defined as the goals) has the potential to increase. Regarding education, results found that as the education of the coach increases from high school to graduate school, their coaching effectiveness is perceived to be marginally significantly stronger.

Business coaches should aim to improve their self-awareness of their leadership style since the results of this study suggest that the more self-aware the leader is, the more likely the follower will achieve a positive outcome, e.g., achieve the stated personal and business goals. Coaching organisations, franchises, and alliances, can also benefit from this research by ensuring that their selection, assessment, training, and measurement systems leverage the benefits related to higher levels of AL and self-awareness. Another recommendation is for coaches to acquire and practice AL since this study suggests that AL will have a positive impact on client’s attainment of personal and business goals. Business coaches themselves, and coaching organisations, should consider how they can leverage all four factors of AL in ways that enhance coaching effectiveness. Stronger balanced processing qualities, for example, could positively impact client-learning capabilities and could result in innovative ideas being discovered. Higher levels of relational transparency could impact the level of committee that a client has to the long-term coaching process. The trust that can be achieved through relational transparency may offer benefits to the client and the coach. Additionally, a coach that possesses a strong internalized moral perspective may help to curb any industry-driven tendency to engage in unethical business practices, or malfeasance.

Limitations

A variety of limitations constrain the conclusions drawn from this research. One limitation of the study concerns the sample and the limited information that was obtained regarding the experiences of the business coaches. Since this information was not obtained, some business coaches likely had more experience and some likely had less coaching experience, and this may have had an impact on their coaching effectiveness. Another limitation concerns the sample size for this study which was relatively small, perhaps due in part to the limited accessibility to business coaching populations. The demographic makeup of the sample was also a limitation since the sample was comprised almost exclusively of males and Caucasians (80% and 90% of the sample were male and Caucasian, respectively). Additionally, 71%
was between 40-59 years old, and 80% held a bachelor or graduate degree. Thus, the study was potentially impacted by social and cultural bias. There was also a limitation in the study for not including any client data—ideally, coaches will be matched with their clients—but at the very least, inclusion of client data would have contributed to an examination of the impact of AL on CE from the perspective of the client.

Another important limitation of the study is that the questionnaire did not measure constructs beyond AL. There are many other constructs that future research should consider, such as motivation, persuasion, and trust. For example, trust is central to the relationship between a coach and a client. A coach’s perceptions of the trust they engender, and the client’s perceptions of the trust engendered by the coach, which is important to future research studies.

Recommendations for Future Research

This study strongly suggests perceived AL characteristics of a business coach are significant predictors of coaching effectiveness. The Authentic Leadership Questionnaire (ALQ) when administered to business coaches demonstrated reliability and validity as a measure of AL. Tests of the relationship between AL and its four factors on CE found AL and the factor self-awareness were significant predictors of CE. Additionally, the coach’s level of education had a marginally significant impact on CE. As a result of these findings, there are important opportunities to further this research and build upon the existing body of knowledge regarding AL and its impact on CE. For example, it would be useful to further investigate the role of the AL factors other than self-awareness, and explore methods to increase their impact on CE.

Future research should investigate the perceptions of the clients in addition to the perceptions of the business coach regarding the impact of the coach’s AL on CE. Business coaches may have a wide variety of client types, such as those who learn more quickly than others, and coaching may therefore be easier for some coaches than for others. Areas of research in this regard could study the client’s potential dependence on the coach, the client’s commitment to the coaching process, and the client’s level of engagement as a result of the coach’s perceived AL characteristics.

Given the limited size, nationality, and demographic makeup of the study sample (n=96), future research should include additional business coaching franchises in the U.S., as well as international coaching organisations, and study coaches with a wide variety of demographic characteristics. Greater diversity in the sample might offer significant contribution to the literature by improving the ability to generalize the results.

This study was conducted within the business coaching setting, and future research should administer the survey to a broader population of coaches, such as executive and personal coaches. Future research should also collect data on additional experiences of the business coach (training, work experience, etc.), and should study the individual items comprising the ALQ instrument in more detail in order to determine if the ALQ accurately measures AL in the global business coach.

Finally, future research should study the impact of constructs beyond AL on CE. For example, such constructs as motivation, persuasion, and trust may have an important on CE along with AL. Trust,
in particular, appears to be a necessary element in the coach-client relationship (e.g., Hall, Otazo, Hollenbeck, 1999), and future research should study the role of trust in the AL-CE relationship.

**Conclusion**

This study makes a significant contribution to the literature by examining the relationship between authentic leadership (AL) and coaching effectiveness (CE) in a sample of business coaches. The purpose of this study was to determine the extent to which business coaches perceived that they possess the qualities of AL, and how AL affects coaching performance measured as the coaches’ perceived effectiveness in obtaining the client’s personal and business goals. First, there was statistically significant evidence that AL as measured by the ALQ scale is a valid construct in business coaches. This served as foundation for the subsequent analysis of AL’s impact on CE, results of which indicated that AL can function as a predictor of CE. The findings add significant value to the literature since this study is the first to administer the AQL in a business coaching setting and test the impact of AL on coaching performance. Research should continue to examine the impact of AL on CE since the AL of a business coach appears to be a salient factor in further enhancing the performance of business coaches seeking to be effective in obtaining goals set by the client and the coach.

**References**


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