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## COACHING METHOD IN INSURANCE COMPANIES

### PROFESSIONAL PAPER

#### Abstract

Majority of business entities and insurance companies are ready to accept changes, but reluctantly accept models, approaches and methods of highly developed countries due to specific cultural and social conditions.

Starting with information obtained by analysing relevant literature in that field, the main purpose of this paper is to show the trend of implementing the coaching method in insurance companies in Serbia. Companies implementing this method recorded an increase in performance in several dimensions of growth and development – employees and the company. Implementation of the coaching method was considered on a sample of 10 insurance companies by using a survey.

The paper presented the extent to which insurance companies in Serbia accepted the coaching as a successful method for employees' development, but also for increasing the efficiency of a company. Survey results showed that insurance companies used coaching as a method for employees' development and recorded its positive impact, but that they have not yet established a coaching climate in a company.

Conclusions based on theoretical statements and considerations of the survey results indicated the need to introduce the coaching method in insurance companies where this concept has not been practiced so far.

**Key words:** *coaching method, education, insurance companies, employees' development, performances.*

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## Introduction

There is no doubt that the coaching method is one of the fastest growing business phenomena in the world. It is increasingly used as a professional tool for development and training of employees, but is also becoming more and more deeply rooted in companies in various ways.

Insurance is in a service sector and success of insurance companies depends only on competences and adequate personnel. Through training, employees are trained to work by acquiring adequate skills and knowledge to contribute to the efficiency of a company and cope with changes in the environment.<sup>2</sup> Coaching as a method of development training of an individual or a group implies and supports the initiatives of changes in thinking, behaviour and action. More precisely, it is a concept that increases the likelihood of implementing true behavioural changes as it enables clear communication regarding the evaluation of work, harmonisation of individual and company interests and goals, as well as development of mutual trust, respect and motivation to achieve the best performance.<sup>3</sup> And perhaps most importantly, coaching is one way to control fear, time, and discouragement so that people can fully realise their talents and goals.<sup>4</sup>

Likewise, there is no doubt that the coaching method influenced effective achievement of goals and new values. Bozer and Jones<sup>5</sup> made a systematic integration of 117 empirical studies in the context of coaching and confirmed that workplace coaching was effective. In addition, they ascertained that determinants of coaching effectiveness were the following – self-efficacy, coaching motivation, goal orientation, trust, interpersonal attraction, feedback intervention and supervisory support. They believed that these determinants enabled establishment of a coaching climate in companies. By monitoring and researching the role and contribution of the coaching that has grown continuously since 2012, the authors emphasized the belief in its potential benefits and pointed out that continuous coaching in companies may indicate a trend towards the emergence of a coaching culture.

Benefits of developing a coaching culture were recorded and reflected in better motivation, engagement, higher employee retention, increased productivity, empowerment and learning. Coaching as an adaptive methodology can be useful in managing local and global turbulences and creating opportunities for new thinking

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<sup>2</sup> Snežana Videnović, Snežana Vranić, „Obrazovanje i edukacija na polju osiguranja”, *Savetovanje sa međunarodnim učesćem*, 2022, pp.171-179.

<sup>3</sup> Anthony M. Grant, „An Integrated Model of Goal-Focused Coaching”, *International Coaching Psychology Review*, Vol. 7, No. 2, September 2012.

<sup>4</sup> James Flaherty, *Coaching Evoking Excellence in Others*, London 2022.

<sup>5</sup> Gil Bozer & Rebecca J. Jones, „Understanding the factors that determine workplace coaching effectiveness: a systematic literature review”, *European Journal of Work and Organizational Psychology*, 2018, 27(3), pp. 342–361.

and behaviours that lead to greater competitiveness in the market. Developing a coaching culture is as challenging as any change initiative.<sup>6</sup>

One of the most important components when establishing a coaching climate is that messages about the importance of the coaching come from the top management in a company. Top-level managers should model coaching behaviour. Coaching competencies should be added to business competencies and as such valued and rewarded. Although some managers may have excellent coaching skills their effectiveness is limited, and a broader coaching culture requires its promotion by operational and strategic leaders. When starting a coaching culture, it is important to determine who believes in coaching and who is willing to talk about it. Before starting a coaching culture, it is important to clarify the goal of coaching.<sup>7</sup> Establishing clear goals, which are usually related to employees' development, helps to understand the link between the coaching and organizational strategic goals and needs.

Creating a coaching culture is one of the most powerful organizational change processes that create a culture of high performances.<sup>8</sup>

In a coaching culture all members of a company are involved in honest coaching conversations full of trust and respect, unimpeded by hierarchy, about how they can improve their mutual relations at work and increase performance of individual and collective work. Everyone in a company learned to appreciate and effectively use feedback as a powerful learning tool for a personal and professional development; work relations are based on high reliability, performance is continuously improving, and the satisfaction of clients is increasing.

### Survey Analysis

In the past ten years, the coaching method has been implemented increasingly in domestic companies and in the state institutions. At the beginning, international companies outsourced experts to present the coaching method, and later locally employees developed these abilities through various international coaching associations.

The survey was prepared having in mind theoretical foundations presented in the papers of authors dealing with the coaching method (Whitmore, Peter Hawkins, Lucy West, Mike Milan, Carole Pemberton, Anthony M. Grant, Gil Bozer, Rebecca Jones, David Clutterbuck),<sup>9</sup> and results of similar researches in the world.

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<sup>6</sup> Alison Whybrow, Siobhain O'Riordan, *Cognitive Behavioural Coaching in Action, Chapter: Developing a coaching culture at work*, London, 2021, p. 34.

<sup>7</sup> Snežana Videnović, *Doktorska disertacija: Mogućnost primene coachinga u Srbiji*, Beograd, 2013, p. 90.

<sup>8</sup> [http://www.wabccoaches.com/bcw/2005\\_v1\\_i1/feature.html](http://www.wabccoaches.com/bcw/2005_v1_i1/feature.html)

<sup>9</sup> John Whitmore, *Trening za postizanje učinkovitosti*, Mate Zagreb, 2006;

Peter Hawkins, *Creating A Coaching Culture: Developing a Coaching Strategy*, London, 2012;

In order to get a realistic picture of the representation of the coaching method in insurance companies in Serbia, the survey included key questions related to the status itself as well as results of its implementation.

Survey results were collected from ten insurance companies in Serbia in the period from May to September 2023. The main set of participants consisted of employees who are guaranteed anonymity, that is, strict confidentiality regarding the personal identity and the name of an insurance company.

The sample for the survey was intentional, 100% of participants (i.e. 10 out of 10 insurance companies to whom the survey was sent) took part, which was a sufficient number to make relevant conclusions. In order to conduct this research, a survey of 11 open questions was made.

The first question was: Was the coaching implemented in your company? Eight participants gave an affirmative answer, and two participants answered that they have not yet practiced the coaching as a development training for employees.

The second question was: If the answer was yes, since when has it been implemented? The answers ranged from 2008 to the present day.

The third question addressed only those participants who stated that the coaching was not implemented in their companies. The question was: If the answer was no, why not? Participants were asked to write their own opinion for not introducing the coaching in their company.

The first participant answered that the management was not interested in any method of employee education that is not technical, that is, professional for performing their tasks.

The second participant pointed out that management's response to a proposal from the HR department to introduce a team coaching to improve sales results was: What was the price? After looking at the cost of introducing the coaching, a negative response came from the management.

In continuation were questions only for participants from insurance companies that implemented the coaching.

When asked whether a team, an individual or both team and individual coaching was implemented, five participants answered that both team and individual coaching was implemented; two answered that only coaching of top managers was implemented, while one answered that only team coaching was implemented.

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Lucy West & Mike Milan, *The Reflecting Glass*, London, 2001;

Carole Pemberton, *Coaching to solutions*, London, 2006;

Anthony M. Grant, "An Integrated Model of Goal-Focused Coaching". *International Coaching Psychology Review*, Vol. 7, No. 2, September 2012.

Gil Bozer & Rebecca J. Jones, "Understanding the factors that determine workplace coaching effectiveness: a systematic literature review", *European Journal of Work and Organizational Psychology*, 27(3), 342–361, London 2018;

David Clutterbuck, *Coaching the team at work 2: The definitive guide to team coaching*, London 2020.

When asked how and who identified the need for the coaching, the following answers were received – when it was necessary; an employee initiated it; human resources department; it was part of the education plan; the training plan determined in advance who would attend the coaching process that year; it was determined after the annual performance evaluation and analysis of the employees' work results. Two insurance companies stated that the process is initiated by the director.

When asked whether the coaching was implemented according to a plan or as needed the answer was 50-50.

When asked whether they outsourced a coach or had an internal coach, two companies had an internal coach, and the remaining six companies outsourced coaching agencies.

When asked whether an employee actively participated in setting coaching goals, all eight participants gave an affirmative answer.

When asked if they measured the results of a coaching process, one respondent answered affirmatively, and seven respondents answered that they did not measure, but an improvement was noticed, citing everything that was concluded. Those seven participants pointed out that there has been improvement in the following areas:

- A positive impact was recorded regarding motivation and engagement at the workplace;
- Existing conflicts in the team and in interdepartmental cooperation were overcome;
- Coaching identified the right training courses for employees that would significantly contribute to improving business results;
- Stress was overcome and a balance between work and private life was established;
- A positive impact on communication and interpersonal relations was achieved;
- Increase of satisfaction;
- Increase of employees' efficiency.

The tenth question was: If you measured the impact of the coaching, what results did you get? The detailed answer of a participant in whose company the impact of the coaching was measured:

In our company, the coaching has been implemented since 2012 and was a part of the leadership program. Before measurements, we found that the coaching resulted in solving specific behavioural problems and helping newly appointed managers grow into leaders. We measured the impact of the coaching by evaluating the results of employees' work before and after the coaching process. There was a noticeable trend that all employees were rated higher than in the year when they did not have the coaching. Therefore, they improved.

When asked if they thought there was a coaching culture in their company, seven participants answered that there was no coaching culture in their company. One participant wrote that the insistence on a coaching culture by the top management contributed to employees achieving better results at work with increased self-satisfaction, but also a better understanding of their position in insurance and insurance as a business.

Reasons for such small percentage of answers about the existence of a coaching culture were not stated, but based on the published researches<sup>10</sup> (Bozer and Jones 2018) we could conclude that they were in insufficiently structured and continuous coaching activities or in the absence of some of the coaching culture characteristics.

## Characteristics of a Coaching Culture

Results of the survey conducted in insurance companies and theoretical considerations can indicate the main characteristics of a coaching culture.

### 1. Leaders are Positive Role Models

Organizational culture starts with top leaders. They set the rules of the game – dynamics, expectations, what is right and what is wrong – what is acceptable and what is not. When leaders become skilled coaches in practice they transform their leadership style from being bosses to being coaches to their employees<sup>11</sup> (Videnović, 2014).

Coaching is “applied leadership” and requires the best of modern leadership. Coaching leaders create powerful, emotionally intelligent conversations that transform employees productively and inspire to action.

### 2. Each Member is Focused on Client Feedback

Most modern companies have feedback channels. That is not new. However, in a coaching culture, there is a great emphasis on expanding those feedback channels making them more effective. Each member of a coaching culture is expected to become responsible for spreading a proactive approach, seeking to understand and not react defensively to feedback and a client. Everyone understands the importance of their roles as it relates to the mission of serving (internal and external) clients.

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<sup>10</sup> G. Bozer, R. J. Jones, p. 342–361.

<sup>11</sup> Snežana Videnović, *Monografija Koučing*, Beograd, 2014, p. 25.

### **3. Coaching Flows in all Directions**

In a coaching culture, education flows in all directions by building networks in a company consisting of multiple connections between people in the same departments, across departments, between teams, up and down the hierarchy. The key to that rich flow of communication is establishing clear coaching relations.

Successful leaders and managers are known to provide performance development trainings to their employees. It is necessary to achieve high performances, but it is not sufficient to create the conditions for development of a true value culture in today's companies.

Coaching of peers is in the second place in creating good coaching relations. Coaching relations in a company are designed to support further learning, dialogue, problem solving, and improvement of working conditions. Coaching of peers is a crucial element that supports learning, growth and improvement of productivity.

Bottom-up coaching is the third element, and often the most challenging to establish. There are many reasons for this. Leaders/managers are often not aware that they do not want to receive upward feedback. Employees who report directly to them may feel insecure about their position and therefore do not provide an honest feedback. Whatever the reason, the nature of relations must be radically transformed, and feedback must flow freely between managers and employees. Security, trust, respect and closeness in relations are created if they become each other's coaches.

### **4. Teams Become more Energetic**

Coaching creates teams where relations are based on high reliability and thereby the traditional hierarchy is overcome.

In a high-performance culture, people feel as a part of the entity. That enhanced sense of connectedness occurs because teams work to explore through dialogue how they work together. Teams are focused on creating high trust relations. Trust directly encourages people to work together more efficiently and more effectively leading to higher performances.

Relations that teams create in a coaching culture have a high degree of commitment to the success of team members. Internal competition, contests, promotions and recognition for certain team members are no longer destructive. Belief that all members work for the same goal and in the same company is fundamental. They are a part of the same success. Everyone on that big ship pulls own weight and is responsible for own performances, but at the same time they think they are all accountable together. They accept this truth – We cannot win unless we all win. My job is to make my teammates successful.

### **5. Learning Takes Place, Decisions are Made more Efficiently and Changes are Made Faster**

Coaching accelerates personal and team education. Teams often use lessons learned in previous activities. People become eager to share wisdom and knowledge with the team. People learn without fear of failure if they work in a coaching environment.

In a coaching culture, it is a common practice to involve everyone in making decisions regarding changes, and certainly in planning the implementation. Coaching means engaging people in a safe dialogue where everyone is expected to share their honesty and respectful concerns, so that the experiences of all participants are a part of the process and have their own value, whatever they may be.

### **6. Human Resource Management Systems are Aligned and Fully Integrated**

Human resource systems consist of talent attraction (evaluation and selection), orientation of new employees, evaluation of work results, trainings, promotions and compensations. Coaching must be fully integrated in all systems involving employees.

Most companies have values that, framed or not, hang on office walls. A coaching culture actively embraces core values as a compass to guide people and business decisions. Members of that culture respect these values and by coaching contribute to making colleagues' behaviour consistent with the core values of a company. Thus, they make relevant values useful and meaningful to a company.

All members of a coaching culture have personal development plans that are carefully reviewed annually, and ultimately serve to influence the effectiveness of individuals and teams.

Job descriptions have clearly defined requirements for the coaching skills needed for an individual to be successful on the job. Everyone is expected to be a successful coach and to continuously learn about what it means to be a coach.

### **7. Company has a Unique Practice and Communication**

Coaching can be defined as "the process of helping others improve their efficiency." Coaching culture adopts a unique approach and methodology so that this communication method becomes a generally accepted approach.

If the entire culture has an understanding of communication flows, then coaching conversations start more easily, people connect and communicate with fewer distractions, thus making communication much more effective. This increases the likelihood that employees will start getting more of what they want and less of what they do not want.



## **Conclusion**

The coaching method is increasingly used as a professional tool for development and training of employees in all business entities, and it is becoming more and more rooted in insurance companies in Serbia.

Insurance companies in Serbia increasingly recognise the power of teaching an individual or a group and increasingly practice coaching to educate their employees in order to gain an advantage in the market. It is obvious that the importance and influence of the coaching method is growing, primarily owing to noticeable positive results that are verified in insurance companies implementing coaching.

It is obvious that insurance companies in Serbia recognized the coaching method as a way to deal with pressure rooted in external and internal sources. Analysis of results achieved by insurance companies after implementation of the coaching method should in the future show effectiveness of this method for increasing productivity through employee motivation, as well as for preserving a company's key competencies, which is a basic assumption for further development.

One of the most important arguments justifying this claim are results of the conducted survey, which showed that participants mainly believed that coaching in companies significantly contributed to the increase of satisfaction, motivation of employees, and their efficiency. This creates prerequisites for a suitable climate that would support a full implementation of this approach in management and employee advancement.

The expected impact of this paper would be reflected in the fact that highlighting the results and advantages of companies where the coaching method is applied could serve as an example of good practice, and the promotion and development of the coaching culture would contribute to the increase of all business effects.

*Translated by*  
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