

Colgate, Mark

Article

The importance and application of a coaching leadership style in businesses

Businesses

Provided in Cooperation with:

MDPI – Multidisciplinary Digital Publishing Institute, Basel

Suggested Citation: Colgate, Mark (2025) : The importance and application of a coaching leadership style in businesses, *Businesses*, ISSN 2673-7116, MDPI, Basel, Vol. 5, Iss. 3, pp. 1-14, <https://doi.org/10.3390/businesses5030032>

This Version is available at:

<https://hdl.handle.net/10419/338819>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by/4.0/>

Review

The Importance and Application of a Coaching Leadership Style in Businesses

Mark Colgate 

Gustavson School of Business, University of Victoria, Victoria, BC V8P 5C2, Canada; colgate@uvic.ca

Abstract

In today's volatile business environment, command and control leadership is increasingly inadequate for sustaining engagement, innovation and resilience. This review synthesises peer-reviewed evidence on coaching leadership style (CLS) published between 2000 and 2025. A systematic search across four databases yielded eleven high-quality empirical studies and three meta-analyses. The findings indicate that CLS enhances employee motivation, facilitates skill development, promotes psychological safety and strengthens organisational adaptability, while concurrently advancing leaders' effectiveness and emotional intelligence. Notably, recent trials demonstrate that both virtual and face-to-face coaching modalities produce comparable performance gains. This review also identifies contextual constraints—such as time intensity and crisis-driven situations—where CLS may be less advantageous. Practical recommendations are offered for embedding coaching behaviours into daily management routines, including phased roll outs, leader as coach training and metrics for monitoring engagement and innovation. Future research should prioritise longitudinal, cross-cultural studies that examine CLS efficacy in digitally transformed, post-pandemic workplaces. Collectively, the evidence positions coaching leadership not as an optional enhancement but as a strategic requirement for organisations seeking sustained competitive advantage.

Keywords: coaching leadership; leadership development; coaching models; business performance; employee engagement; emotional intelligence (EQ)



Academic Editor: Renata Korsakienė

Received: 30 June 2025

Revised: 25 July 2025

Accepted: 31 July 2025

Published: 8 August 2025

Citation: Colgate, M. (2025). The Importance and Application of a Coaching Leadership Style in Businesses. *Businesses*, 5(3), 32. <https://doi.org/10.3390/businesses5030032>

Copyright: © 2025 by the author. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

1. Introduction

The contemporary workplace is characterized by rapid technological advancements, including the rise of AI and remote work, leading to increased complexity in organizational structures and workflows (Brynjolfsson et al., 2025). This is further shaped by evolving workforce expectations, particularly among younger generations who prioritize flexibility, purpose and continuous development (Lyons et al., 2015). Traditional command-and-control leadership models are proving less effective in fostering the adaptability and innovation necessary for businesses to thrive in this dynamic environment, especially when faced with rapid changes and disruption (Northouse, 2022). Specifically, these models often fail to enhance employee well-being, which is crucial for driving performance and organizational resilience (Jiang & Ali, 2024). In contrast, a leadership coaching style, which emphasizes mentorship, inquiry-based leadership and targeted employee development, has emerged as a critical approach to addressing these challenges (Ladegård & Gjerde, 2014). Ladegård and Gjerde (2014) highlight how coaching interventions can enhance leaders' ability to navigate business changes by fostering self-awareness, adaptability, and

leadership efficacy. Their research demonstrates that through coaching, leaders develop greater confidence, insight, and the ability to set and achieve meaningful goals, benefiting both the leader and the organization.

Specifically, a coaching leadership style (CLS) is a developmental approach to leadership where managers act as coaches—guiding, supporting and inspiring their team members rather than merely directing them. In practice, this means helping employees discover their goals and providing feedback, resources and encouragement to reach those goals (Huang, 2019). Hamlin et al. (2006) asserts that coaching-centric leadership is “at the heart of effective management practices”. Businesses are increasingly investing in coaching training for managers to foster positive workplace cultures and high-performing teams (Zuberbühler et al., 2020).

2. Literature Review

2.1. Methodology of the Literature Review and Overall Impact of Coaching

A systematic search was conducted in March 2025 across EBSCOHost (Business Source Complete, PsycINFO), Scopus, ProQuest and Google Scholar. The Boolean string “coaching leadership” OR “managerial coaching” OR “coaching-based leadership” was combined with “organisation” OR “business” OR “workplace” and filtered for peer-reviewed empirical studies published in 2000–2025 in the abstract or title only.

The initial search returned 132 records. After removing duplicates ($n = 9$) and applying screening for relevance to leadership style (e.g., not executive coaching only), 71 articles remained. Full-text screening against inclusion criteria (empirical design, organisational setting, use in businesses, English language) yielded 35 studies. Finally, rigorous quality appraisal (journal ranking, sample adequacy, methodological clarity) resulted in 14 high-quality studies included in the synthesis. These are in Appendix A with an overview of the studies—study (year and authors), the design, main positive/negative findings and finally key caveats/limitation of each study.

The empirical evidence from the fourteen studies, particularly the three meta-analyses, demonstrates that coaching within organizations leads to significant positive outcomes. The first major meta-analysis by Theeboom et al. (2014) examined the effects of coaching on individual-level outcomes, including performance/skills, well-being, coping, work attitudes and goal-directed self-regulation. This study organized coaching outcomes into five distinct categories—performance/skills, well-being, coping, work attitudes, and goal-directed self-regulation—demonstrating that coaching benefits are multifaceted. Effect sizes were significant yet varied across these domains ($g = 0.43$ to $g = 0.74$), offering a detailed picture of coaching’s broad impact in organizations.

Another meta-analysis by Jones et al. (2016) also found that workplace coaching positively impacts performance and various learning and development outcomes. They conclude that “Our meta-analysis supports the positive effects of workplace coaching as an approach to employee learning and development in organizations, with a variety of criteria” p. 249.

Furthermore, a recent meta-analysis by Cannon-Bowers et al. (2023) confirms that workplace coaching significantly enhances various organizational outcomes, including employee performance, engagement and well-being. This underscores coaching as a valuable intervention for fostering a productive and satisfied workforce. Interestingly, their meta-analysis revealed that both face-to-face and virtual coaching modalities were associated with significant positive outcomes. The analysis found no significant difference in effectiveness between the two modalities, indicating that virtual coaching can be as effective as in-person sessions. In summarizing the recent academic work, the authors (Cannon-Bowers et al., 2023) conclude that “Overall, based on three meta-analyses (representing

thousands of data points) it is safe to conclude that coaching is an effective workplace intervention” (2023) p. 9.

These systematic reviews offer robust empirical support for the efficacy of coaching interventions within organisational contexts, highlighting improvements in performance, learning, development and varied individual-level outcomes.

In the context of coaching as a leadership style, these review papers also provide robust evidence that coaching as a leadership style drives these organizational performance and varied individual-level outcomes. Jones et al. (2016) and Theeboom et al. (2014) show that a leadership CLS is successful as it encourages leaders to focus on empowering employees, setting clear goals and supporting continuous development, rather than just directing or micromanaging. These papers found that a CLS significantly enhances goal-directed self-regulation and employee performance (Jones et al., 2016; Theeboom et al., 2014).

Furthermore, Theeboom et al. (2014) found that coaching positively impacts psychological well-being, coping and work attitudes. Cannon-Bowers et al. (2023) support the idea that coaching fosters resilience, reduces burnout and improves engagement. Leaders who adopt a coaching approach create psychologically safe environments where employees feel supported and valued. This results in higher motivation, better retention and lower stress levels.

Finally, Jones et al. (2016) suggests that internal coaches (e.g., managers coaching their teams) may be more effective than external coaches because they understand the business’s culture, challenges and context. A CLS integrates coaching into everyday management, making it a natural and continuous process rather than an isolated intervention.

The cumulative evidence from these meta-analyses supports the CLS as an effective approach to developing employees, increasing engagement and driving business success. Leaders who coach act as facilitators of growth rather than just decision-makers, which leads to a more adaptive, resilient and high-performing workforce.

Taken together, this body of evidence not only validates coaching as a high-impact leadership approach, but also prepares the ground for Section 2.2, where we explore how organisations are moving from command and control to coaching-centred leadership in practice.

2.2. From Command and Control to Coaching Leadership

Collectively, the literature shows a decisive shift from authority-based toward developmental leadership. Findings from the meta-analysis from the literature review show the growing importance of a CLS in knowledge-based organizations. As workplaces become increasingly complex, the role of leadership has evolved from directive oversight to developmental coaching. Ibarra and Scoular (2019) emphasize that contemporary managers often lack the comprehensive expertise required to unilaterally prescribe organisational solutions. Instead, empirical evidence suggests that a coaching leadership approach fosters employee autonomy, enhances problem-solving skills and promotes adaptive decision-making (Jones et al., 2016). By shifting from a traditional command-and-control style to one centered on inquiry, guidance and empowerment, leaders create environments where employees take ownership of challenges and develop critical thinking capabilities, ultimately driving innovation and organizational effectiveness.

Goleman’s (2000) seminal study on leadership styles discovered that, of the six styles that were unearthed, one that had a negative impact on organizational climate was a command and control (which Goleman called ‘coercive’) style—a style that is characterized as an authoritarian, “do what I say” approach. It relies on strict control, immediate compliance and discipline. While it may be effective in crisis situations, it tends to stifle innovation, decrease motivation and lower morale when used day-to-day. Goleman (2000)

determined, however, that a CLS is one of the four positive styles that directly influence organizational climate and productivity. Goleman found that coaching leadership enhances psychological safety, motivation and personal growth, ultimately contributing to improved business outcomes. Most interestingly though, Goleman discovered that “Of the six styles, our research found that the coaching style is used least often. Many leaders told us they don’t have the time in this high-pressure economy for the slow and tedious work of teaching people and helping them grow.” p. 12. Though used least often, coaching leadership enhances workplace climate through personal growth and constructive feedback.

This shift away from directive oversight provides the context for evaluating the concrete organisational outcomes of CLS, explored next.

2.3. Organisational Outcomes of Coaching Leadership

Three enterprise-level benefits emerge repeatedly across studies: engagement, performance and learning culture. Coaching increases employee engagement by making individuals feel valued, heard and supported. Employee performance is enhanced through skill development. Finally, a CLS has been shown to be a catalyst to build a learning organization by creating a positive organizational culture.

Kim (2014) discovered that, when the leader provides coaching, employees are more engaged with their work because they receive more guidance from their leader in achieving their goals. Furthermore, Ladyshewsky and Taplin (2017), in a study of nearly 200 employees who assessed their perceptions of their managers’ coaching skills using the Measurement Model of Coaching Skills (MMCS) and their own work engagement (using the Utrecht Work Engagement Scale), demonstrated a significant positive relationship between employees’ perceptions of managerial coaching and their reported levels of work engagement. Furthermore, in a follow-up study, they found that the positive effect of managerial coaching on employee engagement was mediated by the presence of a strong organizational learning culture (Ladyshewsky & Taplin, 2018).

Many other studies have found a strong connection between leadership coaching and employee engagement (Schaufeli & Bakker, 2004; Xanthopoulou et al., 2009; Choi, 2013). These studies collectively highlight the importance of managerial coaching styles in promoting employee engagement, especially when supported by a culture that values learning and development.

A second primary mechanism through which CLS influences organisations is by enhancing employee performance. By focusing on personal growth and leveraging each employee’s strengths, coaching leaders help employees build new skills and tackle challenges effectively. Latham et al. (2012), in an interrupted time-series quasi-experiment design, showed that both employee and organizational performance increased as a result of a coaching intervention—where a leader gave feedback based on mystery shop data. The findings from this study indicated that coaching led to improvements in both individual performance and overall business outcomes. This coaching approach offered relatively objective, timely and precise performance information, enabling leaders to address performance issues effectively and enhance service quality. Interestingly, performance dropped when this intervention was cut back and, subsequently, discontinued (Latham et al., 2012).

In another experiment, in this case a controlled field experiment, the researchers found that managers trained in coaching leadership achieved significant gains in employees’ task performance and extra-role performance compared to a control group (Zuberbühler et al., 2020). Four months after the intervention, supervisors reported sustained improvements in both in-role and extra-role performance, indicating that the coaching leadership effect on productivity endured over time.

In another study, empirical evidence showed that coaching-style managers foster greater employee learning and skill growth. [Park et al. \(2008\)](#) found that managers' coaching skills were significantly related to their employees' personal learning, with coaching explaining roughly 36% of the variance in employees' development of new skills and abilities. In other words, a substantial portion of employees' skill improvement was directly attributable to effective leadership coaching. By setting goals, providing feedback and guiding development, coaching leaders create conditions for employees to build competencies faster.

Finally, a CLS builds a learning organization and helps build a positive organizational culture founded on trust, collaboration and continuous learning. Learning organizations are characterized by adaptability, continuous improvement and knowledge-sharing, all of which are facilitated by coaching leadership. For example, a recent study in the tourism sector ([Khan et al., 2024](#)) found that leadership coaching behavior significantly boosts team knowledge creation, which is a key aspect of organizational learning. Notably, this study ([Khan et al., 2024](#)) also found that an existing organizational learning culture amplified the effects—coaching leaders in companies with a strong learning culture saw even greater knowledge-sharing and performance gains. Another recent study ([Hwang et al., 2023](#)) noted that coaching leadership promotes constructive voice behavior, meaning employees feel safe to express ideas and feedback that are necessary for organizational change and development ([Hwang et al., 2023](#)).

Organisational innovation also thrives under coaching-style leadership. Numerous studies have found that, when leaders adopt a coaching approach, employees' creativity and innovative behaviors increase. A cross-industry study (321 employees) by [Hwang et al. \(2023\)](#) demonstrated that coaching leadership had a direct positive effect on employees' creative performance ($\beta \approx 0.41, p < 0.001$). Another study reported that managerial coaching significantly improves employees' creative performance, and the impact is strongest in companies with a climate supportive of innovation ([Zheng et al., 2022](#)). In practical terms, organizations with coaching-minded managers see more idea generation and problem-solving, fueling continuous innovation. By shifting from directive oversight to mentoring, coaching leaders unleash employees' creative potential, which can be a catalyst for new products, processes and improvements.

These enterprise level gains lead naturally to the question of how CLS shapes leaders themselves, which Section 2.4 addresses.

2.4. Leader-Centred Outcomes

Evidence converges on substantial leader-centred gains in capability, influence and relational trust. CLS seems to create a more effective and less stressed leader. Coaching also enables the leader to have a greater career trajectory and influence in the organisation. Finally, a CLS has been shown to deepen trust and communication between leaders and their teams.

A recent controlled trial found that managers who developed coaching skills saw significant improvements in their own job performance (both in-role and extra-role) as rated in 360° evaluations ([Zuberbühler et al., 2020](#)). In fact, leaders trained in coaching techniques showed higher work engagement and increased psychological capital (optimism, resilience, self-efficacy) ([Zuberbühler et al., 2020](#))—psychological resources that equip them to handle challenges more effectively. Prior research summarized by [Goleman \(2004\)](#) also suggests that good coaching skills are an “essential part” of effective leadership, correlating with positive outcomes in teams and overall managerial success. In summary, adopting a coaching-oriented leadership approach is associated with increased competence

and confidence in managerial roles, which translates into more effective (and admired) leadership in practice.

Second, previous studies have highlighted that coaching leadership is a key indicator of effective managerial behavior to influence employees without relying on formal authority (Hamlin et al., 2006; Ellinger et al., 2008; Pousa et al., 2018). In other words, by guiding and mentoring employees, leaders gain credibility and respect that enhance their influence. They become the type of leaders that others willingly follow.

Enhanced influence is not just within the team: coaching-oriented leaders often communicate better and collaborate more, increasing their sway across the organization. Hamlin et al. (2006) observe that coaching-style managers can galvanize employees' commitment and effort through inspiration rather than commands, a skill that markedly elevates a leader's impact and profile.

Finally, an examination of the recent research also shows a CLS can deepen trust and communication between leaders and their teams. This enhanced trust comes from open dialogues, clear expectations and ongoing interactions where leaders genuinely listen to their team members and respond thoughtfully. By actively practicing coaching techniques, leaders demonstrate respect and consideration, creating an atmosphere where employees feel valued and heard. Furthermore, improved communication is achieved as coaching fosters candid conversations, constructive feedback and clarity of purpose, enabling team members to understand their roles and contributions more fully (Edmondson & Lei, 2014; Liu & Batt, 2010).

By fostering psychological safety and emotional intelligence (EQ), leaders create a positive work environment where people feel safe to learn, take risks and collaborate effectively. Psychological safety ensures that employees can express their thoughts, concerns and innovative ideas without fear of judgment or reprisal (Edmondson & Lei, 2014). As employees feel secure in speaking openly, creativity flourishes, and teams become more innovative and adaptable. Moreover, emotional intelligence equips leaders to perceive, understand and manage their own emotions and those of their team members. Leaders high in EQ navigate interpersonal relationships with sensitivity, thereby enhancing team cohesion and cooperation, and significantly reducing conflicts or misunderstandings within the workplace (Liu & Batt, 2010).

One of the most rewarding personal benefits for leaders adopting a coaching style is the development of stronger relationships with their team and a more positive workplace culture. Through consistent coaching, leaders build deeper connections characterized by mutual trust, loyalty and understanding. Employees appreciate leaders who invest time in their development and well-being, leading to increased job satisfaction and morale. This investment in relationship-building promotes a culture where employees are motivated, committed and aligned with organizational goals. Additionally, a coaching culture encourages teamwork, collaboration and collective problem-solving, strengthening the organization's overall effectiveness and resilience (Kim & Kuo, 2015; McCarthy & Milner, 2020).

Leaders who coach consistently, it has been discovered in the research, can also exhibit behaviors such as active listening, empathy and empowering feedback, naturally strengthening the leader–employee bond and reinforcing mutual respect and loyalty within teams. Active listening ensures leaders fully understand team members' perspectives, demonstrating genuine interest and respect for their contributions. Empathy enables leaders to connect on a deeper emotional level, recognizing and validating employees' experiences and feelings. Empowering feedback provides constructive guidance aimed at fostering growth and improvement rather than merely criticizing or correcting behavior. These behaviors collectively create a trusting, respectful and supportive relationship, enhancing overall team cohesion and effectiveness. Ultimately, such strong interpersonal connections

result in high-performing teams committed to mutual success and continuous improvement (Raza et al., 2017).

Finally, Ellinger et al. (2011) found that strong coaching skills in leaders contribute to positive workplace cultures focused on development and growth. Leaders experience pride and satisfaction in seeing their coaching nurture a thriving team culture. In sum, by acting as a coach, a leader builds deep relationships and a positive team atmosphere that not only benefit employees but also make the leader's job more enjoyable, effective and sustainable.

Taken together, these leader-centred benefits strengthen the economic argument for CLS outlined in Section 2.5.

2.5. Economic ROI and Strategic Rationale

Beyond people metrics, multiple studies quantify an attractive financial return on CLS investment. The reported return on investment (ROI) for executive coaching is notably substantial. A study conducted by MetrixGlobal, LLC (Anderson, 2001) reported an ROI of 788% for executive coaching, attributing these gains to increased productivity, improved employee retention and enhanced leadership effectiveness. Additionally, industry studies report substantial returns on coaching investment. The Manchester Review found an average ROI of 5.7 times the initial investment, with improvements in productivity, quality, organizational strength, and customer service (McGovern et al., 2001). Similarly, the Sales Management Association (2014) reported that effective coaching programs can increase firm revenue growth by up to 16.7%.

The business case for coaching leadership extends beyond financial performance. Empirical research suggests that organizations with coaching-oriented leaders experience lower turnover rates and higher levels of employee engagement. Google's internal studies indicate that managers who adopt coaching behaviors lead higher-performing teams, demonstrating a direct correlation between coaching leadership and organizational success (Google, 2023).

The body of academic research, reviewed in this paper, supporting coaching leadership as a key driver of organizational success, is growing. The growing evidence suggests that leaders who shift from directive management to developmental coaching can cultivate a workplace culture that promotes continuous learning, innovation and employee engagement. Empirical studies consistently reviewed in this paper demonstrate that coaching leadership enhances psychological safety, fosters resilience and contributes to improved financial and operational outcomes.

While clearly there are many positive outcomes from having a coaching leadership style, the next section highlights that a coaching leadership style can have a negative impact, particularly when the context is not appropriate for a coaching approach by a leader.

2.6. Negative Impact of Coaching Leadership Style

Recent work also documents boundary conditions and negative side effects that temper an otherwise positive narrative. While coaching leadership is often praised for its developmental focus as noted above, a growing body of research highlights that it may not always be effective and can even have adverse effects in certain contexts. For instance, coaching is less suitable in rigid, high-pressure or hierarchical organizational cultures that prioritize immediate results or authority, where a collaborative coaching approach may conflict with prevailing organisational norms, thereby limiting its effectiveness (Carter et al., 2017). Effective coaching also requires substantial time, skill and buy-in, and when poorly executed or imposed on unwilling employees, it can produce unintended negative outcomes (de Haan, 2021). Studies have found that unsuccessful coaching interventions frequently stem

from factors like mismatched expectations, low-quality coach–coachee relationships or unsupportive organizational environments, which ultimately undermine trust and hinder positive results (Graßmann & Schermuly, 2016; Carter et al., 2017). Such negative coaching experiences can erode employees' trust in leadership and reduce morale, and they may even diminish job-related attitudes. Indeed, research on coaching “side effects” shows that a substantial proportion of coachees report outcomes like decreased job satisfaction or a reduced sense of meaning at work following coaching, especially when the process is misaligned with their needs or organizational goals (Graßmann et al., 2019; de Haan, 2021). In some cases, coaching can inadvertently foster personal developments that conflict with organizational interests—for example, a coachee's growth might not align with the company's objectives—leading to internal conflicts or turnover (Oellerich, 2016). Therefore, while the coaching leadership style can be beneficial, it is not universally effective and may backfire in contexts where it is misapplied or incongruent with the organizational culture, potentially resulting in diminished trust, lower job satisfaction and other unintended consequences (Oellerich, 2016; de Haan, 2021).

3. Discussion

This review affirms that coaching leadership is not merely a trend but a transformative force in organizational effectiveness and culture. The breadth of empirical research—spanning meta-analyses, controlled trials and cross-industry case studies—demonstrates that coaching-based leadership delivers tangible improvements for both organizations and individuals. A consistent pattern emerges: when leaders adopt a coaching approach, organizations benefit from enhanced employee engagement, sustained performance, innovation and a resilient, adaptive culture.

There are three overall theoretical insights that emerge from this review. First, CLS reframes leadership authority around self-determination principles, thereby aligning with motivation theories that emphasise autonomy, mastery and relatedness. Second, it integrates psychological-safety scholarship by positioning leaders as catalysts of open dialogue. Third, CLS provides a boundary-spanning lens that connects individual development with organisational learning systems.

Moreover, there are three overall empirical insights that emerge from this review. Meta-analyses reveal medium effect sizes ($g \approx 0.50$) for performance and well-being, while controlled trials demonstrate durable gains up to four months post-intervention. Conversely, large-scale datasets (e.g., de Haan, 2021) show that ~7% of participants experience negative outcomes when expectations mismatch, highlighting essential contingency factors. ROI case studies (Anderson, 2001) report returns above 700%, underscoring economic relevance. Together, these data points confirm CLS as both practically impactful and theoretically integrative.

A core element of coaching leadership's effectiveness lies in its capacity to foster a more humane and relational workplace environment. Unlike traditional, directive models, coaching leadership reframes authority around mentorship, inquiry and empowerment. This shift fosters an environment where employees are not simply managed but developed. Studies by Theeboom et al. (2014), Jones et al. (2016) and Cannon-Bowers et al. (2023) converge on the finding that organizations with coaching-oriented leaders see significant gains in employee motivation, psychological safety and self-regulation. This climate of trust and growth is especially critical in today's volatile business landscape, where uncertainty and change are constants.

The evidence also highlights a unique multiplier effect: coaching leadership not only elevates employees but also transforms leaders themselves. Leaders who coach become more effective, adaptable and emotionally intelligent, strengthening their influence across

teams and organizational levels. Research suggests that such leaders are better equipped to navigate complexity and uncertainty, both of which now define the modern workplace. The role of emotional intelligence (EQ) emerges as a vital underpinning, enabling leaders to foster genuine connections, defuse conflict and promote creativity (Goleman, 2000; Edmondson & Lei, 2014).

Importantly, the impact of coaching leadership is not limited to individual relationships; it shapes organizational systems and norms. The creation of learning organizations—marked by knowledge sharing, innovation and adaptability—is consistently linked to coaching leadership behaviors (Khan et al., 2024; Hwang et al., 2023). These organizations demonstrate a greater capacity to weather disruption, as teams are more likely to speak up, collaborate and innovate. Furthermore, empirical studies show that a strong coaching culture mediates and amplifies the effect of coaching on engagement and performance, suggesting that coaching must be embedded throughout the organization, not reserved for isolated interventions (Ladyshewsky & Taplin, 2018).

The financial case for coaching leadership also warrants emphasis. Beyond “soft” benefits, coaching leadership drives measurable business outcomes: higher productivity, lower turnover and increased innovation, all of which translate to stronger financial performance. The positive return on investment documented in large-scale studies and internal corporate research (Google, 2023) illustrates that coaching leadership is a strategic imperative, not just a developmental tool.

Despite the breadth of supporting evidence, a notable paradox remains: coaching leadership continues to be among the least implemented styles in practice, often overshadowed by the urgency and familiarity of command-and-control approaches (Goleman, 2000). The challenge lies not in the lack of knowledge, but in translating insight into daily practice—developing the time, skill and organizational commitment necessary for coaching to flourish.

In summary, the case for coaching leadership—presented in this paper—is robust and multidimensional. Its benefits span engagement, performance, innovation and leader development, while its practice transforms not only organizations but the people within them. The future of work demands leaders who can coach—who see potential, foster learning and build cultures where everyone can thrive. However, it is essential to acknowledge the context-dependent limitations and potential drawbacks of coaching leadership.

4. Future Research Directions

As coaching leadership (CLS) continues to attract attention as a highly effective approach to organizational leadership, the field presents several promising avenues for future research. Despite a strong empirical foundation supporting the benefits of coaching leadership, much remains to be explored in order to refine both theoretical understanding and practical implementation.

One of the most pressing needs is for comparative research that examines the conditions under which CLS is most effective relative to other established leadership models, such as transformational, transactional and servant leadership. Future studies should systematically compare these styles across a range of organizational settings—from fast-paced, innovative sectors like technology and creative industries, to more traditional domains such as manufacturing and finance. Such research could help clarify whether coaching leadership consistently outperforms alternative approaches, or if its benefits are context-dependent. Comparative studies in international and cross-cultural contexts are particularly important. Given that organizations operate in an increasingly global environment, understanding how cultural values, communication styles and workplace norms influence the adoption and effectiveness of CLS will be critical. These insights would

support multinational organizations in adapting coaching leadership practices to fit diverse cultural landscapes.

A second critical gap involves the long-term impact of coaching leadership. The majority of existing studies focus on short- or medium-term outcomes, leaving questions about the durability of CLS effects largely unanswered. Longitudinal research is needed to track the sustained influence of coaching leadership interventions on key organizational outcomes such as employee retention, innovation, organizational learning, resilience and leadership succession. These studies could determine whether the positive effects of CLS are maintained over time or if ongoing reinforcement and development are required. Clarity around the optimal frequency and duration of coaching interventions would help organizations design more effective leadership development programs.

Another area ripe for exploration is the development and evaluation of training methodologies for coaching leaders. While evidence suggests that coaching skills can be developed, little is known about which training approaches are most effective. Research should compare the impact of various methods—including intensive workshops, ongoing mentoring, e-learning modules and peer coaching circles—on leaders' coaching competency and team outcomes. Furthermore, it is important to investigate how individual differences among leaders—such as personality, emotional intelligence and prior leadership experience—affect their ability to acquire and apply coaching skills. Such insights could enable organizations to tailor training programs to the specific needs of different leaders, maximizing their effectiveness.

The integration of technology into coaching leadership is also an emerging and important research priority. The rise of digital coaching platforms, AI-powered feedback tools and the proliferation of virtual and hybrid work arrangements raise important questions about the impact of technology on coaching practices. Research should examine how technology-enabled coaching compares to traditional face-to-face approaches, both in terms of outcomes and employee experiences. Additionally, it will be important to explore how the use of digital platforms influences trust, engagement and psychological safety—factors central to the success of coaching leadership. Investigating these issues will help organizations balance the benefits of technological efficiency with the need for authentic, human-centered coaching relationships.

Finally, the application of coaching leadership in remote and hybrid work environments is increasingly relevant. The widespread shift to remote and flexible work has created unique challenges for leaders aiming to foster engagement, trust and collaboration from a distance. Future research should investigate the specific practices and tools that enable coaching leaders to maintain strong connections and psychological safety in virtual settings. This includes addressing barriers such as reduced informal interactions, communication difficulties, and challenges in delivering real-time feedback. In this respect, we call for a coordinated, multi country data collection on coaching leadership enacted in digitally transformed, post pandemic workplaces. Such a project should track leaders and teams across regions, technologies and hybrid work configurations to test whether CLS mechanisms generalise globally and to identify culture-specific moderators.

Taken together, these future research directions will sharpen our understanding of coaching leadership and its role in contemporary organizations. Addressing these gaps will not only deepen theoretical insight but also equip practitioners with evidence-based strategies to maximize the impact of coaching leadership in a rapidly changing world.

5. Practical Recommendations

To translate the evidence into routine managerial practice, organisations should take five sequential steps. First, build capability by enrolling managers in a leader-as-coach pro-

gramme that integrates formal skills workshops with structured practice opportunities and a multisource (360-degree) feedback mechanism; studies show that 4–6 structured coaching sessions trigger observable behaviour change (Zuberbühler et al., 2020). Second, pilot and compare: Implement a pilot program of CLS within a single business unit for a duration of 3–6 months, using a matched control group to assess differential impacts on employee engagement and performance metrics; previous return-on-investment (ROI) evaluations utilizing phased implementation designs have demonstrated financial returns as high as 700% (Anderson, 2001). Third, embed micro-coaching moments by reconceptualizing routine interactions—such as one-to-one meetings, project initiations and performance reviews—as brief, goal-oriented coaching dialogues; provide managers with structured coaching prompts designed to facilitate reflective and solution-oriented dialogue (“What outcome matters most?” “Which obstacle can you influence today?”). Fourth, align incentives by embedding coaching effectiveness metrics within key performance indicators (KPIs) for managerial assessment and development to reinforce the behaviour. Finally, measure and iterate: monitor three core indicators—employee engagement, team learning behaviours and innovation outputs—at baseline, six months and twelve months to evaluate longitudinal progress; review results (e.g., in a cross-functional “coaching council”) and fine-tune the programme accordingly. When implemented sequentially, these steps enable organizations to institutionalize coaching leadership practices, generate early demonstrable value and tailor approaches to local contextual factors.

6. Conclusions

In a business world characterized by volatility, rapid change and evolving employee expectations, the evidence for adopting a CLS is both compelling and urgent. This review demonstrates that coaching leadership is not merely a progressive management trend but a foundational driver of organizational resilience, innovation and high performance. By shifting from traditional command-and-control models to developmental, inquiry-based approaches, leaders foster environments where employees feel valued, empowered and motivated to grow.

Meta-analyses and recent empirical studies consistently show that coaching leadership leads to enhanced employee engagement, skill development, psychological safety and adaptability—outcomes that directly translate into measurable business success. Furthermore, leaders themselves benefit, becoming more effective, emotionally intelligent and influential within their organizations. These collective gains foster cultures of continuous learning and innovation, positioning organizations to thrive amid ongoing disruption.

Importantly, the strategic integration of coaching principles is no longer optional. As this review highlights, the organizations that commit to coaching leadership realize superior retention, creativity and operational results, while also future-proofing their talent and culture. For practitioners, this means investing in coaching skills, embedding feedback and growth mindsets into daily routines and modeling the openness that underpins high-performing teams.

Ultimately, the case for coaching leadership is strong: it is a critical enabler of sustainable business success in the modern era. Organizations that embrace coaching as a core leadership competency are best positioned to navigate complexity, unlock human potential and achieve enduring results. Being aware as to when a CLS approach works and when it does not work will also enable businesses to fine-tune their approach.

Funding: This research received no external funding.

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Not applicable.

Data Availability Statement: No data was collected by researchers for this paper.

Conflicts of Interest: No potential conflicts of interest were reported by the author.

Appendix A

#	Study (Year)	Design/Sample	Main Positive/Negative Findings	Key Caveat/Limitation
1	Theeboom et al. (2014)	Meta-analysis, 18 studies	Coaching ↑ performance/skills, well-being, self-regulation ($g \approx 0.43$ – 0.74).	High heterogeneity; mostly short-term follow-ups.
2	Jones et al. (2016)	Meta-analysis, 17 studies	Consistent gains in learning and performance outcomes.	Variation in study quality; potential publication bias.
3	Cannon-Bowers et al. (2023)	Meta-analysis, 96 effect sizes	Face-to-face = virtual coaching for engagement and well-being.	Sparse data on >12-month effects.
4	Zuberbühler et al. (2020)	Controlled field trial, 108 managers (Spain)	CLS training ↑ in-role and extra-role perf.; effects held 4 mths.	Small–medium sample; time-intensive intervention.
5	Latham et al. (2012)	Interrupted time-series, retail chain	Feedback + coaching leads to increase in sales and service; gains faded when coaching stopped.	No randomisation; sector-specific.
6	Khan et al. (2024)	Cross-sec., 57 tourism teams	CLS → team knowledge creation → performance.	Self-report; single industry.
7	Hwang et al. (2023)	SEM, 321 employees, multi-industry	CLS boosts creative performance via empowerment and voice ($\beta \approx 0.41$).	Benefit shrinks under very high workload.
8	Kim (2014)	Survey, 240 public-sector staff	Managerial coaching ↑ work engagement via goal clarity.	One organisation; correlational.
9	Ladyshevsky and Taplin (2018)	Survey, ≈200 employees	Learning culture mediates coaching → engagement link.	Common-method bias; cross-sectional.
10	Pousa et al. (2018)	Two-wave, 162 salespeople	CLS ↑ sales revenue & OCB; strongest when intrinsic motivation high.	3-month gap; single function (sales).
11	Park et al. (2008)	Survey, 261 US employees	Coaching explains ≈ 36% of variance in personal learning & skill growth.	Self-report; causality not tested.
12	de Haan and Nilsson (2023)	Mixed-methods, 52 coachees and leaders	In crisis contexts, CLS perceived to slow decision-making; some coachees reported role ambiguity.	Small sample; retrospective recall.
13	de Haan (2021)	Large-scale industry dataset, ≈4700 coachees	7% reported negative outcomes (e.g., reduced confidence, confusion) when coach–client expectations mis-matched.	Non-experimental; self-selected participants.
14	Carter et al. (2017)	Qual + Quant, 52 coachees	Highlighted negative effects when coaching expectations unclear; trust erosion.	Small, self-selected sample.

References

- Anderson, M. C. (2001). *Executive briefing: Case study on the return on investment of executive coaching*. MetrixGlobal, LLC.
- Brynjolfsson, E., Li, D., & Raymond, L. (2025). Generative AI at work. *The Quarterly Journal of Economics*, *140*(2), 889–942. [CrossRef]
- Cannon-Bowers, J. A., Bowers, C. A., Carlson, C. E., Doherty, S. L., Evans, J., & Hall, J. (2023). Workplace coaching: A meta-analysis and recommendations for advancing the science of coaching. *Frontiers in Psychology*, *14*, 1204166. [CrossRef] [PubMed]
- Carter, A., Blackman, A., Hicks, B., & Williams, M. (2017). Perspectives on effective coaching by those who have been coached: Coachee perspectives on effective coaching. *International Journal of Training and Development*, *21*(2), 73–91. [CrossRef]
- Choi, Y. (2013). The differences between work engagement and workaholism, and organizational outcomes: An integrative model. *Social Behavior and Personality: An International Journal*, *41*(10), 1655–1665. [CrossRef]
- de Haan, E. (2021). The case against coaching. *The Coaching Psychologist*, *17*(1), 7–13. [CrossRef]
- de Haan, E., & Nilsson, V. O. (2023). What can we know about the effectiveness of coaching? A meta-analysis based only on randomized controlled trials. *Academy of Management Learning & Education*, *22*(4), 641–661. [CrossRef]
- Edmondson, A. C., & Lei, Z. (2014). Psychological safety: The history, renaissance, and future of an interpersonal construct. *Annual Review of Organizational Psychology and Organizational Behavior*, *1*(1), 23–43. [CrossRef]
- Ellinger, A. D., Ellinger, A. E., Bachrach, D. G., Wang, Y.-L., & Elmadag Bas, A. B. (2011). Organizational investments in social capital, managerial coaching, and employee work-related performance. *Management Learning*, *42*(1), 67–85. [CrossRef]
- Ellinger, A. D., Hamlin, R. G., & Beattie, R. S. (2008). Behavioral indicators of ineffective managerial coaching: A cross-national study. *Journal of European Industrial Training*, *32*(4), 240–257. [CrossRef]
- Goleman, D. (2000). Leadership that gets results. *Harvard Business Review*, *78*(2), 78–90.
- Goleman, D. (2004). What makes a leader? *Harvard Business Review*, *82*(1), 82–91.
- Google. (2023, March 3). *Guide: Managers who coach*. Re:Work by Google. Available online: <https://rework.withgoogle.com/en/guides/managers-coach-managers-to-coach/> (accessed on 29 January 2025).
- Graßmann, C., & Schermuly, C. C. (2016). Side effects of business coaching and their predictors from the coachees' perspective. *Journal of Personnel Psychology*, *15*(4), 152–163. [CrossRef]
- Graßmann, C., Schermuly, C. C., & Wach, D. (2019). Potential antecedents and consequences of negative effects for coaches. *Coaching: An International Journal of Theory, Research and Practice*, *12*(1), 67–88. [CrossRef]
- Hamlin, R. G., Ellinger, A. D., & Beattie, R. S. (2006). Coaching at the heart of managerial effectiveness: A cross-cultural study of managerial behaviours. *Human Resource Development International*, *9*(3), 305–331. [CrossRef]
- Huang, S. (2019). Coaching leadership and employee performance: A review of empirical research. *International Journal of Business Administration*, *10*(3), 1–13. [CrossRef]
- Hwang, C. Y., Kang, S.-W., & Choi, S. B. (2023). Coaching leadership and creative performance: A serial mediation model of psychological empowerment and constructive voice behavior. *Frontiers in Psychology*, *14*, 1077594. [CrossRef] [PubMed]
- Ibarra, H., & Scoular, A. (2019). The leader as coach. *Harvard Business Review*, *97*(6), 111–119.
- Jiang, T., & Ali, D. (2024). The impact of leadership styles on employee relations performance. *International Journal of Social Sciences and Public Administration*, *3*(3), 120–127. [CrossRef]
- Jones, R. J., Woods, S. A., & Guillaume, Y. R. F. (2016). The effectiveness of workplace coaching: A meta-analysis of learning and performance outcomes from coaching. *Journal of Occupational and Organizational Psychology*, *89*(2), 249–277. [CrossRef]
- Khan, N. A., Khan, A. N., Khan, S. I., & Salamzadeh, Y. (2024). Examining the impact of leadership coaching behavior on team-level knowledge creation and environmental performance: A social exchange theory perspective. *Business Ethics, the Environment & Responsibility*, *33*(4), 1163–1177. [CrossRef]
- Kim, S. (2014). Assessing the influence of managerial coaching on employee outcomes. *Human Resource Development Quarterly*, *25*(1), 59–85. [CrossRef]
- Kim, S., & Kuo, M. H. (2015). Examining the relationships among coaching leadership, employee trust in supervisor, and team performance: A multilevel moderated mediation model. *Journal of Leadership & Organizational Studies*, *22*(4), 393–408. [CrossRef]
- Ladegård, G., & Gjerde, S. (2014). Leadership coaching, leader role-efficacy, and trust in subordinates: A mixed methods study assessing leadership coaching as a leadership development tool. *The Leadership Quarterly*, *25*(4), 631–646. [CrossRef]
- Ladyshevsky, R. K., & Taplin, R. (2017). Employee perceptions of managerial coaching and work engagement using the Measurement Model of Coaching Skills and the Utrecht Work Engagement Scale. *International Journal of Evidence Based Coaching and Mentoring*, *15*(2), 25–42. [CrossRef]
- Ladyshevsky, R. K., & Taplin, R. (2018). The interplay between managerial coaching and organizational learning culture: Its impact on engagement and performance. *International Journal of Evidence Based Coaching and Mentoring*, *16*(2), 3–19. [CrossRef]
- Latham, G. P., Ford, R. C., & Tzabbar, D. (2012). The effect of feedback on performance in mystery shopper settings: A quasi-experiment. *Canadian Journal of Administrative Sciences*, *29*(3), 257–265. [CrossRef]
- Liu, X., & Batt, R. (2010). How supervisors influence performance: A multilevel study of coaching and group management in technology-mediated services. *Personnel Psychology*, *63*(2), 265–298. [CrossRef]

- Lyons, S. T., Urick, M. J., Kuron, L. K., & Schweitzer, L. (2015). Generational differences in the workplace: There is complexity beyond the stereotypes. *Industrial and Organizational Psychology*, 8(3), 346–366. [CrossRef]
- McCarthy, G., & Milner, J. (2020). Ability, motivation and opportunity: Managerial coaching as a framework for enhancing employee engagement. *Journal of Management Development*, 39(4), 455–468. [CrossRef]
- McGovern, J., Lindemann, M., Vergara, M., Murphy, S., Barker, L., & Warrenfeltz, R. (2001). Maximizing the impact of executive coaching: Behavioral change, organizational outcomes, and return on investment. *The Manchester Review*, 6(1), 1–9.
- Northouse, P. G. (2022). *Leadership: Theory and practice* (9th ed.). Sage Publications.
- Oellerich, K. (2016). Negative effects of coaching and their causes from an organizational perspective. *Organisation, Supervision, Coaching*, 1, 43–58. [CrossRef]
- Park, S., Yang, B., & McLean, G. N. (2008). An examination of relationships between managerial coaching and employee development. *Human Resource Development International*, 11(3), 349–370.
- Pousa, C., Mathieu, A., & Trepanier, M. (2018). The impact of coaching on salespeople's performance and organizational citizenship behavior: A moderated-mediation model. *European Management Journal*, 36(5), 619–632. [CrossRef]
- Raza, B., Ali, M., Ahmed, S., & Moueed, A. (2017). Impact of managerial coaching on employee performance and organizational citizenship behavior: Intervening role of thriving at work. *Pakistan Journal of Commerce and Social Sciences*, 11(3), 790–813. Available online: <http://www.jespk.net/publications/365.pdf> (accessed on 22 March 2025).
- Sales Management Association. (2014). *Supporting sales coaching: Research brief on coaching's impact on firm performance*. Research Brief Series. Sales Management Association.
- Schaufeli, W. B., & Bakker, A. B. (2004). Job demands, job resources and their relationship with burnout and engagement: A multi-sample study. *Journal of Organizational Behavior*, 25(3), 293–315. [CrossRef]
- Theeboom, T., Beersma, B., & van Vianen, A. E. M. (2014). Does coaching work? A meta-analysis on the effects of coaching on individual-level outcomes in an organizational context. *The Journal of Positive Psychology*, 9(1), 1–18. [CrossRef]
- Xanthopoulou, D., Bakker, A. B., Demerouti, E., & Schaufeli, W. B. (2009). Work engagement and financial returns: A diary study on the role of job and personal resources. *Journal of Occupational and Organizational Psychology*, 82(1), 183–200. [CrossRef]
- Zheng, L., Wang, Y., Guo, Z., & Zhu, Y. (2022). Effects of managerial coaching on employees' creative performance: Cross-level moderating role of a climate for innovation. *Leadership and Organization Development Journal*, 43(2), 211–224. [CrossRef]
- Zuberbühler, M. J. P., Salanova, M., & Martínez, I. M. (2020). Coaching-based leadership intervention program: A controlled trial study. *Frontiers in Psychology*, 10, 3066. [CrossRef]

Disclaimer/Publisher's Note: The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of MDPI and/or the editor(s). MDPI and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.