The added value of coaching compared to a friendly discussion: Insight from behavioral economics

Marina Psiloutsikou
Athens University of Economics and Business, School of Business, 76 Patission Street, 10434, Athens, Greece, mpsilou@aeub.gr

Abstract

Purpose – This paper addresses a criticism of coaching that is rather overlooked in the respective literature but highly discussed among clients. It is often claimed that coaching is nothing more than a chat among friends or colleagues and has, therefore, no added value for a potential customer.

Design/methodology/approach – The paper draws on the respective interdisciplinary literature to identify limitations and biases that are present in general discussions with friends or colleagues but professional coaches should be trained to overcome.

Findings – Questions and discussion are indeed at the core of a coaching session, thus bearing much resemblance to a friendly chat. However, the resemblance is superficial. In this paper ten main differences between a coaching session and a discussion with a non-expert are found and analyzed. They are grouped into three categories: Biases, Heuristics and Personal Limitations.

Research limitations/implications – Further research will be needed to test empirically the use of input from behavioural economics as a basis for coaching and also to enrich it with additional factors. Moreover, practitioners can use the proposed factors to increase their effectiveness as well as to create a unique selling proposition for their business.

Originality/value – The paper discusses specific skills and capabilities that a professional coach must have and provides significant implications for both researchers and practitioners.

Keywords: Coaching, Added Value, Behavioral Economics, Biases, Heuristics

JEL Classification: Maximum M12, M53, O15

1. Introduction

Coaching has developed a lot in the past decades and is already considered an emerging discipline with its own scientific literature. The primary purpose of professional coaching is to enhance wellbeing, improve performance and facilitate individual and organisational change (Grant, 2005). It has emerged from the area of sports in the ’60s, then transferred to business through the ’70s and ’80s and moved to personal development in professional, social and personal life in the ’90s (Bresser & Wilson, 2010). Nevertheless, it is still in its infancy, working to establish its foundations and boundaries.

Definitions are many and various; although, certain commonalities do exist among them, coaching still means different things to different people (Jackson, 2005). Different definitions refer to different methods method, areas of expertise, results to be achieved or skills to be developed. For executive coaching (coaching that targets business executives) alone, Bartlett II et al. (2014) have identified 26 distinct keywords included in various definitions, 8 different models and approaches and 5 abilities based on which a coach’s effectiveness can be evaluated. Hamlin et al. (2008) gathered more than 30 descriptions, definitions and variants of coaching.

In consistency with the abovementioned vagueness for the definition and the role of coaching, criticism has been vivid; it always is when a new field of study emerges (Argenti, 1996; Jensen & Bonde, 2011; Khazanchi & Munkvold, 2000). The main debate concerns the position of coaching among behavioral and cognitive fields (therapy, counselling, training, consulting, etc.) and has been extensive (Bluckert, 2005; Coutu & Kauffman, 2009; Garvey, 2004; Hart et al. 2001). It has even been suggested that coaching is not really different from other kinds of helping (Williams & Irving, 2001; Stalinski, 2003). Vaartjes (2005) claimed that coaching is far from meeting the basic requirements of a true profession because it lacks a holistic theoretical framework.

Although the debate is still ongoing, a significant part of the literature has addressed the criticism and supported the distinct position of coaching (Berman & Bradt, 2006; Clutterback, 2008; Griffiths & Campbell, 2008; Maxwell, 2009; Price, 2009; Sperry, 1993).

Williams (2003) distinguishes coaching from therapy in that the former “embodies the superior purpose of psychology… to study of human potential and possibility… rather than repair what has been damaged” and provides 15 main differences between the two. Seligman and Csikszentmihalyi’s work (Csikszentmihalyi, 2014; Seligman, 2002) on positive
psychology has provided a strong foundation for defining coaching against therapy.

Moreover, coaching is often preferred rather than therapy or working with an industrial psychologist because of the more positive connotations it is associated with. Acknowledging to one’s friends and colleagues to be seeing a coach may appear more desirable than admitting to be seeing a therapist (Cavanagh, 2005). Furthermore, McKelley and Rochlen (2007) have argued that coaching might fit with the cultural demands of men resistant to conventional sources of professional help.

This paper addresses a different kind of criticism, rather overlooked in the respective literature but highly discussed among clients and -most important- among potential clients. According to the latest ICF’s Study (Global Consumer Awareness Study, 2014), 24.6% of the participants who have heard of coaching believe that they do not need it. Among other reasons, quite often people claim that they do not need professional help because they have good friends, thus implying that coaching has nothing more to offer than a friendly chat or -in the case of executive coaching- a chat with a colleague or the HR department. The distinction, nevertheless, is perhaps redundant, since for most executives work and life issues cannot be kept entirely separate (Coutu & Kauffman, 2009).

The abovementioned criticism is not new in the context of cognitive sciences; psychology was considered redundant when it first emerged as a separate discipline. Immanuel Kant argued that “psychology might perhaps never become a ‘proper’ science because its phenomena cannot be quantified, among other reasons” (Sturm, 2006).

In the case of coaching, the respective arguments derive mostly from the fact that questions and discussion are at the core of a coaching session, thus bearing -to the untrained eye- a resemblance to a general chat. However, any such comparison is superficial. To compare a coaching session to a random friendly discussion is like comparing a novel to a shopping list or a surgical incision to a random cut. If someone is illiterate or has no medical training, they may appear to be similar: both the shopping list and a novel are syntheses of words; both a surgical incision and a random cut are cuts of human tissue; both a friendly discussion and a coaching session are syntheses of questions and answers. However, with the appropriate expertise and a more careful examination, the differences in precision and added value become obvious and are critical. The discussion that takes place in a coaching session is normally based on motivational interviewing (MI), a technique originally proposed by William Miller (1983). MI is a counselling approach to help people with behavioral change (Lundahl et al, 2010). Life coaching offers a potential platform for facilitating individual, organizational and social change (Grant & Cavanagh, 2007) and executive coaching emerged as an intervention geared specifically to changing the behaviour of managers (Feldman & Lankau, 2005). Passmore (2011) was the first to consider

the use of MI in coaching while Simmons & Wolever (2013) explored the use of MI in health coaching.

In this paper the distinctive elements of the discussion that takes place during a coaching session are identified and discussed drawing mainly on the literature of behavioral economics. More specifically, the biases and heuristics, that non-experts commonly use –but coaches should not- when discussing a potential change, are addressed and the barriers that they cause, thus depicting the added value of a coaching session. The significance of this paper lies mainly in the attempt to show the linkage between coaching and behavioral economics, thus providing a more complete foundation for the former. It is true that coaching has psychology at its backbone; nevertheless, the value of combining it with the rational economic theory can help coaches to better address some of their clients’ needs that are closer to decision making.

For the purposes of this paper, there is no need to distinguish between the different areas of coaching (life, executive, etc.). The scope is broad and has implications for all types professional coaching.

2. Effectiveness of coaching

Coaching is a rapidly growing industry. In 2006, it was estimated to worth $2bn (Fillery-Travis & Lane, 2006); 9 years later, in the US only, it produces revenue of $12bn with an annual growth of 6.8% between 2010 and 2015 (IBIS World, 2015). An increase of the academic interest in the field has also been noticed; academic publications during 2001-2005 increased by 266% in comparison to 5 years before (Grant, 2006). The increasing popularity of coaching has often led to the argument that “it has been around too long to be a management fad” (Fillery-Travis & Lane, 2006). However, no one could seriously argue that popularity is a meaningful measure of value or effectiveness (Kearns, 2006). It is therefore, essential to look at the results of coaching.

Most of the respective research has been focused on executive or business coaching; that means coaching that targets business executives, entrepreneurs and companies. One reason for that is that executive coaching is the most lucrative part of the coaching industry; in the US the median hourly fee is $500 (fees range from $200 to even $3,500) (Coutu & Kauffman, 2009) while life coaching (targeting individuals) costs on average $100 (ranges vary across different countries and sources; $300 is usually the highest end) (George, 2013; Association for Coaching, 2016). Additionally, executive coaching is usually paid by the company (Sherman & Freas, 2004), thus requiring measurement of results, qualitative or quantitative.

Regardless of the unquestionable need to evaluate the role and the effectiveness of coaching, the academic research on the topic is still in its infancy (al., 2014; Beets & Goodman, 2012) and further theoretical and empirical work is needed (Bartlett et al., 2014; Grant., 2014).

Change, development and transformation are mentioned as goals of coaching (Cox et al., 2014; Curly, 2001; Evered et al., 1989; Ives, 2008; Longenecker &
Neubert, 2005; Whitworth et al., 2007). The Executive Coaching Handbook (Ennis et al., 2012) defines executive coaching as “an experiential and individualized leader development process that builds a leader’s capability to achieve short- and long-term organizational goals”. Coutu & Kaufmann (2009) have found that the primary reason a company hires a coach is to develop high potentials or facilitate transformation.

Empirical research has identified a number of benefits that are in consistency with the abovementioned goals (Colombo & Werther, 2003).

For individuals, life coaching has been associated with enhanced mental health, quality of life, goal attainment, decreased levels of self-reflections, increased levels of insight (Grant, 2003). Another study (Green et al., 2006) found that participation in a life coaching program was associated with significant increases in goal striving, well-being and hope. Grant (2011) reviewed 634 scholarly publications and found that stress reduction and goal attainment have been often associated with life and executive coaching.

For managers, executive coaching has been found to have a positive effect in focus, motivation, personal and professional development, working relationships, learning and advancement (Longenecker & Simonetti, 2001). MacKie (2007) identified potential improvement for managers in 13 domains; notably, skills, strengths, goals, job performance, wellbeing, insight, quality of life, promotion, critical incidents, positive affect, retention, self-efficacy, business performance. In a randomised controlled study, Grant et al. (2009) found that coaching enhanced goal attainment, increased resilience and workplace well-being, reduced depression and stress, increased the participants’ self-confidence and personal insight, built management skills and helped participants deal with organisational change.

For the organization, coaching has been found to facilitate organizational learning and problem solving (Redshaw, 2000). Nevertheless, Longenecker & Newbert (2005) found that the higher a manager rises in an organization, the less likely they are to engage in a coaching relationship. Findings that most managers think of themselves as coaches (Zenger & Folkman, 2014) may be a plausible explanation of why this happens. It may also create a notion that discussions with other top executives (also seen as qualified coaches) provide all the necessary feedback, thus leaving no perceived need for professional coaching. Overconfidence is a significant obstacle to effective decision making, especially among top managers and executives (Bussenzit et al., 1997; Hammond et al., 1998; Heath & Heath, 2013; Kahneman et al., 1982; Klayman et al., 1999).

Nevertheless, bad coaching exists and all parties of the relationship -the coach, the client, (and the company, in the executive coaching)- can contribute to failure (Sherman & Freas, 2004). This paper is focused on the coach. The literature proposes certain characteristics/skills that a good coach must have in terms of the way a session is conducted and the content of it (Marsh, 1992): openness to new ideas, creating a good and supportive atmosphere, empowering the client, offering specific balanced feedback, demonstrating personal interest and involvement, setting clear targets, establish trust and intimacy with the client, etc. (Barry, 1994; Marsh, 1992; Popper & Lipshitz, 1992; Stober et al., 2006).

This paper discusses the question from a somewhat different perspective; what a professional coach should not do in order to be effective and to add more value to the discussion with the client than a discussion with a non-expert would have for the latter.

3. Behavioral Economics and the added value of a professional coach

To achieve their goals, coaches borrow on both consulting and therapy (Coutu & Kaufmann, 2009), combining thus the fields of economics and management with the field of psychology. In terms of research, this field is already known as behavioral economics.

The field of behavioral economics studies the effect of psychological, cognitive and sociological factors on decision making and is based on Prospect Theory (Kahneman Tversky, 1979). It studies the boundaries of rationality in decision making (Gigerenzer & Goldstein, 1996; Kahneman, 2003; Simon, 1982).

Initially, it was focused on economic decisions. Today, however, the cognitive biases and the heuristic methods, which were first studied in economic decisions, are now observed in other areas of human behavior (Ariely, 1998; Bazerman et al., 2002; Bertini et al., 2009; Carmon & Ariely, 2000; Fox, 2014; Hitsch et al., 2010; Sustein et al., 2002). Coaching uses a range of cognitive and behavioral techniques in order to help the client achieve their goals (Kilburg, 1996). Rekalde et al (2015) note that “the professional literature adds the personal dimension to the perspective suggested by the academic literature, considering that through executive coaching, clients deepen their learning and improve their performance in the organizational area, while in turn they enhance the quality of their personal life.” Therefore, there is obviously common ground between behavioral economics and coaching; nevertheless, a connection between the two has yet to be directly proposed in the literature.

This paper builds significantly on the findings of behavioral economics, especially on the areas of framing choices and making decisions. We, therefore, propose a new definition for coaching: It is the process of acknowledging personal limitations and biases as well as behavioral patterns in order to make conscious choices and decisions about the strategy that will lead to the desired goal.

The abovementioned process sets the frame of analysis in the following sections of this paper. Consequently, a professional coach is someone who has the ability to identify and overcome cognitive biases, is familiar with decision making methods (rational choice theory and heuristics) and strategic planning.

We propose ten differences between friendly discussions (meaning discussions with a non-expert)
and coaching sessions. They are grouped in three distinct categories: Biases, heuristics and personal limitations.

3.1 Cognitive Biases

Cognitive bias refers to a systematic pattern of deviation from norm or rationality in judgment, whereby inferences about other people and situations may be drawn in an illogical fashion (Haselton et al., 2005).

Non-experts don’t listen actively

People rarely listen to the details of what their friends or colleagues say. Most people are thinking or rehearsing about what they are going to say as soon as there is a break in the conversation (Knippen et al., 1994).

People often believe that they know their colleagues or friends too well already; they have a pre-formed opinion of them and certain expectations of their thoughts. When talking to them, they fill in potential blanks themselves instead of asking for further information. They make assumptions, which most of the time are less than accurate. By some estimates, 60% of the errors made in business can be directly or indirectly linked to poor listening (Whelless, 1998). Purdy and Borisoff (1997) have discussed the limitations in listening in everyday life as well.

A number of studies have indicated that advice is a common way for individuals to respond to other people’s problems (Cowen, 1982; Cutrona et al., 1990; D’Augelli & Levy, 1978; Reisman & Shorr, 1980). When someone encounters family, friends, coworkers, or even acquaintances who are upset about something, a typical response is to give advice (MacGeorge et al., 2008). Nevertheless, advice is not always perceived as helpful (Cutrona & Suhr, 1994; Dunkel-Schetter et al., 1992; Goldsmith, 1994; Pearlin & McCall, 1990). Perceived helpfulness depends on a variety of contextual factors as well as the motivation for asking advice (Goldsmith & Fitch, 1997). People are more likely to consider advice as “butting in” when it came from people close to them, non-experts or when advice was unsolicited (Goldsmith & Fitch, 1997).

A professional coach addresses the above biases. They will make no assumptions and will try to discover what the client thinks through active listening. A coach assumes nothing about the client except for the information they give. This requires the client to describe who they are, what they want, what they need, and what they believe. Most of the times, it requires them to reflect on all these and increase self-awareness (Aronson et al., 1994). Therefore, while a friendly talk will hardly address such issues, a coaching session will force clients to achieve a better understanding of themselves (Joo, 2005).

Non-experts confirm one’s bias

Research has shown that friends share attitude and behavioral similarities (Verbrugge, 1977; Weren & Parmele, 1979). Regardless of the superficial differences, friends and co-workers who enjoy a good relationship tend to have similar preferences, similar values and beliefs, similar way of thinking and similar perceptions. Therefore, they are most likely to enhance the human tendency for confirmation bias, which is one of biggest problems in decision making (Heath & Heath, 2013). Confirmation bias refers to the tendency to develop a belief or form an opinion about a situation and then seek on information that supports that belief. Friends are an excellent source of such information (Kenny & Kashy, 1994).

Moreover, for those who hold a position high in the hierarchy, it is quite hard to find people to disagree with them. CEOs have the need for unbiased information more than anyone else in an organization (Nadler, 2005). The respective research has repeatedly identified managerial overconfidence and hybris as a strong bias, which is hardly ever challenged by the manager's environment. It is difficult for people to disagree with their boss; they are guarded and unwilling to raise difficult topics (Nadler, 2005).

A coach is not subject to such bias; they share no interest in the company, have few or no similar characteristics to the executives assigned to coach and are usually paid by the company. Quite often a coach is consciously hired to provide such unbiased feedback.

A coach will provide the right feedback, will challenge assumptions, identify and address biases and prejudices (Turner, 2006), and ask the uncomfortable questions in order to reveal the entire truth rather than fractions of it (Hieker & Huffman, 2006; Sherman & Freas, 2004; Turner & Goodrich, 2010). A coach will insist on getting an answer to the “How do you know?” question when the client has a belief without proper documentation. Through this process, if the belief is incorrect, the client will realize it; if it is correct, they will acquire a deeper understanding.

Non-experts overanalyze and justify

A significant problem in everyday decisions and the respective discussions with friends and acquaintances, is that people tend to overanalyze; they analyze everything as if they were of equal importance. Even trivial details are analyzed and valued as being extremely significant. This phenomenon is -among others- explained by the theory of cognitive dissonance (Festinger, 1957). People engage in it to lessen psychological tension and distress; adding new cognitions and ignoring or denying any information that conflicts with existing beliefs are two of the methods Festinger (1957) described.

A classic illustration of cognitive dissonance is expressed in the fable “The Fox and the Grapes” by Aesop. Many discussions among friends and colleagues resemble it when people are trying to avoid the blame of a goal not reached, a failure or a lesser welcome outcome. A promotion that didn’t happen is rarely because the candidate lacked the qualifications; it’s almost certainly because the boss was biased, promoted his own people or felt threatened by the abilities of the candidate in discussion. It is assumed that people seek positive self-regard (Heine et al., 1999) and friends provide significant support for it. They provide feedback that is decisively self-enhancing (Campbell et al, 2000), discuss each other’s positive rather than negative traits (Blumberg, 1972), report good but not bad news (Tesser & Rosen, 1975).
This over-analysis or over-thinking is known as “analysis-paralysis” and usually leads to stagnation (Kurien et al., 2014); unless one realizes their own limitations and weaknesses and changes something in their behavior, they will repeatedly face the same undesirable outcome.

A coach will not allow this kind of excuses or justification. They should be able to separate the important pieces of information from the clutter and focus on them. They should allow the difficult pieces of truth to be discussed; they will challenge the client’s comfort zone. “Clearing the clutter not only exposes those things that you know are there; it can reveal the otherwise invisible essence of the situation” (Burger & Starbird, 2012).

Non-experts support a narrow frame

Individuals use frames of reference to make sense of their reality (Du Toit, 2007). However, they tend to define their choices too narrowly; they often see them as binary choices (Heath & Heath, 2013). They often think of a decision as a situation where one must choose between two options (Burger & Starbird, 2012). This kind of cognitive bias is called “narrow framing” and has consistently proven to be one of the strongest biases in decision making (Thomas & Millar, 2011), growing stronger with age. Prospect Theory (Kahneman & Tversky, 1979) explains in detail how the adoption of different frames can lead to different choices, different decisions and different behavior.

The simplest case of framing is “attribute framing” in which one single attribute within any given context is the subject of the framing manipulation (Levin et al., 1998). Empirical evidence shows that people overestimate the degree to which their personal behaviors are common and appropriate (Ross et al., 1977). Advisors –sometimes even professionals– may prefer to rely on their personal beliefs and preferences when giving advice (Hadar & Fischer, 2007). Following this bias, an expert will often focus on an oversimplified dilemma presented to them or frame a situation as a dilemma themselves, relying upon subjective impressions and intuitions (Ross et al., 1977). Coaching provides a broader frame to enable the client to explore more options. Coaching operates at the level of values and beliefs (Du Toit, 2007) linking thus, a decision to variables that escape the obvious short-term perspective. During a coaching session, issues like values, beliefs, long-term goals and opportunity cost will be discussed providing new insight.

3.2 Heuristics

For the purpose of this paper, we adopt the definition of Katsikopoulos (2011) that heuristics are simple decision models people use, which:

a) rely heavily on core human capacities,
b) do not necessarily use all available information and process the information they use by simple computations,
c) are easy to understand, apply and explain.

Non-experts stereotype

Stereotypes function as resource-preserving devices in mental life (Macrae et al., 1994). Verbally or non-verbally, explicitly or non-explicitly, individuals use stereotypes to label information or actions, and consequently other individuals. Labeling can be useful for communication purposes and can also be used as a persuasion technique (Cornelissen, 2007). Labeling theory (Lemert, 1951; Becker, 1973; Mead, 1934) has been extensively studied in sociology. It shows how the individual’s identity and behavior are affected by the perceived opinion of others.

Moreover, the literature suggests that men are less expressive with their male friends out of concern that they will appear weak (Aries, 1987; Winstead et al., 1984) and that they generally prefer talking about rather impersonal topics (Bischoping, 1993) or primarily flattering things (Dolgin & Minowa, 1997).

Thaler (1999) proposed the idea of mental accounting to describe how individuals organize, evaluate, and keep track of their financial activities. Nevertheless, this cognitive operation far exceeds economic decisions; people use different “accounts” for a number of resources. The same applies to tendencies, opinions, preferences and behaviors others express; they are put in different accounts (labels/stereotypes) in order to be managed more effectively (Andersen et al., 1990; Sherman et al., 1998).

Providing supportive feedback requires knowing what to say and when to say it as well as focusing to the other person as opposed to the self (Leaper et al, 1995), all characteristics a professional coach must have.

Coaches refrain from criticizing, verbally or otherwise. They are trained to listen patiently without placing judgment. This creates a more appropriate environment for the client to express freely feelings, thoughts or concerns they may have, to discuss ideas and intentions (Grant & Cavanagh, 2007).

Non-experts focus on the symptoms

Discussions among friends and colleagues are generally limited to symptoms; they do not address the problem itself or its causes. Not very successful organizations act similarly; they tend to address symptoms that are immediately apparent rather than seek root causes (Coulson-Thomas, 2003). This is not always a conscious choice to avoid dealing with the causes; it can be lack of understanding of the differences between correlation and causation (Greenhalgh, 1997; Velickovic, 2015). Often individuals tend to believe that similar symptoms have similar or identical causes (Kim & Keil, 2003), which leads to an approach rather superficial that fails to identify key situation dependent variables.

Moreover, non-experts carry their own assumptions, experiences, traumas and fears when facing a situation. Belsky and Gilovich (1997) introduced the “hybrid of sorts” notion, according to which people place too much value on what they know from personal experience simply because it is from their own experience. Quite often, therefore, they will take a single example (personal experience or of someone they know), make it the rule and perceive themselves as being experts on the subject.

Non-experts, therefore, offer advice based on the symptoms for just about anything; from personal
relationships to medical problems. The following examples are common:

- “My brother-in-law had the same pain, took Pill A, and feels great. You should take it too.”
- “I once said that to my boss and she fired me. Don’t argue, just be patient.”

A coach should not oversimplify; rather they would help identify true from pseudo-correlations, direct from indirect relationships and causes from effects.

**Non-experts give answers**

“It is said that the three hardest words in the English language (in any language) are ‘I love you’; they are not, the hardest are ‘I don’t know’” (Levitt & Dubner, 2014). Individuals feel obliged to provide an answer even when the honest reply would be “I don’t know” followed by an exploratory question. It is not by accident; people are educated to provide answers. Questions during education are reserved for people with authority and people who do not understand or do not know. However, the opposite is true. Questions are the most fundamental attribute of scientific research and the right questions are the basis for all progress and knowledge.

It was the Greek philosopher Socrates who first acknowledged the importance of asking the right questions and introduced the dialectic method, which is linked to critical thinking (Rud, 1994). This is the method many coaches use nowadays to enable their clients to discover the correct answer themselves after they obtain a full understanding of their situation, thus making the answer/decision easier to follow. A coaching relationship is not about providing a quick fix or a recipe for success (Bearwald, 2011). No matter which coaching approach one takes, questions are in the core of it (Ives, 2008).

### 3.3 Personal Limitations

For this purpose of this paper, personal limitations refer to attributes that non-experts bring in a friendly discussion that are beyond their control and cannot be managed or eliminated. These attributes derive from their relationship with the interest party and the role they assume towards them.

**Non-experts are personally involved**

Friends and colleagues are personally involved, directly or indirectly, in people’s lives and thus somehow affected by their choices, decisions and changes. It would be impossible for both parties to have a discussion with a friend or a colleague without taking the relationship into consideration, even subconsciously. In forming and maintaining friendships, individuals develop expectations about how friends ought to be and ought to behave (Hall, 2012). This puts a restriction to the freedom of expression one enjoys in a situation like this. Both parties should pay attention to how much information they reveal, how the other party might feel or how they might be affected personally by each option, what associations may be formed, whether their opinion is biased because of personal interest, etc.

Furthermore, trust becomes an issue when such discussions take place at the workplace where most relationships exist in a co-operative framework (simultaneous collaboration and competition). There are abundant research findings on the value of collaboration in every line of work and in every scientific field. Yet, despite the importance of workplace collaboration, competition is an inevitable part of organizational life (Kinduff et al., 2010).

Trust is even harder to find at the top levels of hierarchy; top executives rarely get straight feedback or bad news. Even at a formal, confidential evaluation, subordinates may inflate ratings to avoid retribution and limit interpersonal conflict, or they may deflate ratings to retaliate against a supervisor who has disciplined or given a low performance rating to them (Smith & Fortunato, 2008).

Furthermore, for those in the higher ranks of the hierarchy, it is hard to allow themselves to be vulnerable and to just “think out loud” because they feel (and may be true) that others are waiting for their words of wisdom so they can react (Hall et al., 1999). On the other hand, doubts, uncertainties, mistakes and generally issues that show vulnerability and create discomfort are at the core of a coaching session; it is exactly those issues that need to be addressed in order for people to develop and change. The mere presence of a co-worker may pose a barrier to this process.

**Non-experts don’t know what they are doing right**

The predisposition to imitate is deeply rooted in humans and social observers have long recognized imitation as important in human society (Bikhchandani et al., 1998). It is, therefore, expected that people often ask friends or colleagues who seem to be “best-practice” cases at something (work, social life, personal life, parenthood) to give away the recipe, to tell them what to do in order to become equally successful. However, hardly any secret is revealed in such quests because people fail to distinguish between declarative knowledge and procedural knowledge. The former refers to the content of cognition (know “what”) while the latter presents the process that act on declarative knowledge (know “how”) (Smith, 1994). Recent studies have argued that it is possible for procedural knowledge to be obtained without previous declarative knowledge (Lewicki et al., 1988; Sun et al., 2001). Moreover, Smith & Branscombe (1988) showed that people who make repeated social judgments learn to apply generic rules somewhat independently of the content.

It is possible, therefore, that people who seem to be doing the “right things” do so intuitively rather than consciously. Therefore, the typical answer when asked for the “recipe of success” is “I am just being myself”, which implies that being one’s self is enough to achieve any desired outcome and assumes that all serves are the same and act the same way. It is remarkable the importance that people have attached to the notion of “being yourself” (Knobe, 2005). Obviously, not all “selves” are the same. On the contrary, being oneself is a fundamentally different kind of value (Knobe, 2005). Moreover, even if “being yourself” was the solution to every problem, people’s perceptions of their one personalities contain important omissions (Vazire & Carlson, 2011), which would prove a conscious
The added value of coaching compared to a friendly discussion: Insight from behavioral economics

4. Discussion and implications

Drawing on interdisciplinary literature—mainly psychology, behavioral economics, and decision making—this paper contributed to the ongoing debate regarding the positioning of coaching among the various cognitive and behavioral fields. The combination of these fields—rather than using psychology alone as the basis of coaching—provides new insight about the distinct role of coaching and the cases when it is preferred over therapy. Positive psychology has provided coaching with an evidence-based framework and a defined scope of practice (Seligman, 2007) but it is an illusion to assume that optimism alone can help all individuals achieve their goals (Miller, 2008).

This paper analyzed the particular type of discussion that takes place during a coaching session (motivational interviewing) and the elements that distinct it from friendly chats or conversations between co-workers or other non-experts in the MI.

More specifically, it highlighted ten main differences between coaching sessions and ordinary discussions, showing thus not only the significant added value of coaching, but also the gap between the two. The paper provided evidence that non-experts have certain limitations (biases, use of heuristics and personal limitations) that can be overcome by proper training; the kind of training that professional coaches should receive.

The inclusion of decision making theory and behavioral economics in the ongoing research to develop a theoretical foundation for coaching provides a new research agenda to identify antecedents of the goals that the profession of coaching claims to be achieving (e.g., change, goal-attainment, increased levels of insight, self-efficacy, personal and professional development). Moreover, the limitations of non-experts that were discussed in this paper can be used as evaluation criteria of professional coaches as well as potential antecedents of customer satisfaction and intention to continue with coaching.

The practical implications of this paper are also of significance. It offers professional coaches with new insight on the limitations they need to address during a coaching session and certain skills that would help them become more effective in their role. Moreover, it explains the way in which these skills serve the clients' interest and the requirements they satisfy. It proposed additional fields that could provide a scientific basis for their work, complementing the principles of positive psychology.

Additionally, practitioners can draw on this paper’s findings to address criticism and provide their clients or potential clients with a more solid presentation of the service they offer and its added value.

5. Limitations and Further Research

The identified differences do not cover the subject exhaustively. More biases, heuristics, and personal limitations present in everyday discussions can be identified, thus offering additional input to exploring further the relationship between coaching to the fields.
of decision making and behavioral economics. Additional input is needed to explore the relationship between coaching and other fields that have been linked with change.

Further research is also needed to provide empirical evidence that explore the proposed relationships. Empirical research is needed to explore the relationship between the differences proposed in this paper and three key factors in any profession: the added value perceived by the clients, the overall satisfaction of the clients and their intention to continue coaching.

References


Becker, H., 1973, Outsiders, Free Press, New York, USA


Coulson-Thomas, C., 2003, ‘Transforming the company: the differing learning practices of successful and
unsuccesful companies', Industrial and Commercial Training, 35 1, pp.5 - 10.


Fillery-Travis, A. F., Lane, D., 2006, 'Does coaching work or are we asking the wrong question?', International Coaching Psychology Review, 1, 1, pp 23-36.


Garvey, F., 2004, ‘The mentoring/counseling, coaching debate: Call a rose by any other name and perhaps it’s a bramble?’, Development and Learning in Organizations: An International Journal, 18, 2, pp. 6-8.


Grant, A. M., 2011, Workplace, Executive and Life Coaching: An Annotated Bibliography for the Behavioral Science and Business Literature, Coaching Psychology Unit, University of Sydney, Australia.


Green, L.S., Oades, L. G., Grant, A.M., 2006, ‘Cognitive-behavioral, solution-focused life coaching:
Enhancing goal striving, well-being, and hope, *The Journal of Positive Psychology*, 1, 3, pp. 142-149.


The added value of coaching compared to a friendly discussion: Insight from behavioral economics

Knippen, Jay T., Green, Thad B., 1994, ‘How the manager can use active listening’, Public Personnel Management, 23, 2, pp 357-359.
Lemert, E. M., 1951, Social Pathology, Mcgraw-Hill, New York, USA.
MacKie, D., 2007, ‘Evaluating the effectiveness of executive coaching: Where are we now and where do we need to be?’, Australian Psychologist, 42, 4, pp. 310-318.
Mead, G. H., 1934, Mind, Self, and Society, University of Chicago Press, Chicago, USA.
Purdy M., Borisoff D., 1997, Listening in Everyday Life: A Personal and Professional Approach, University press of America, USA.

57


Sum, R., Merrill, E., Peterson, T., 2001, 'From implicit skills to explicit knowledge: a bottom-up model of skill learning', Cognitive Science, 25, 2, pp. 203-244.


Vazire, E., Carlson, E. N., 2011, 'Others Sometimes Know Us Better Than We Know Ourselves', Current Directions in Psychological Science, 20, 2, pp. 104-108


