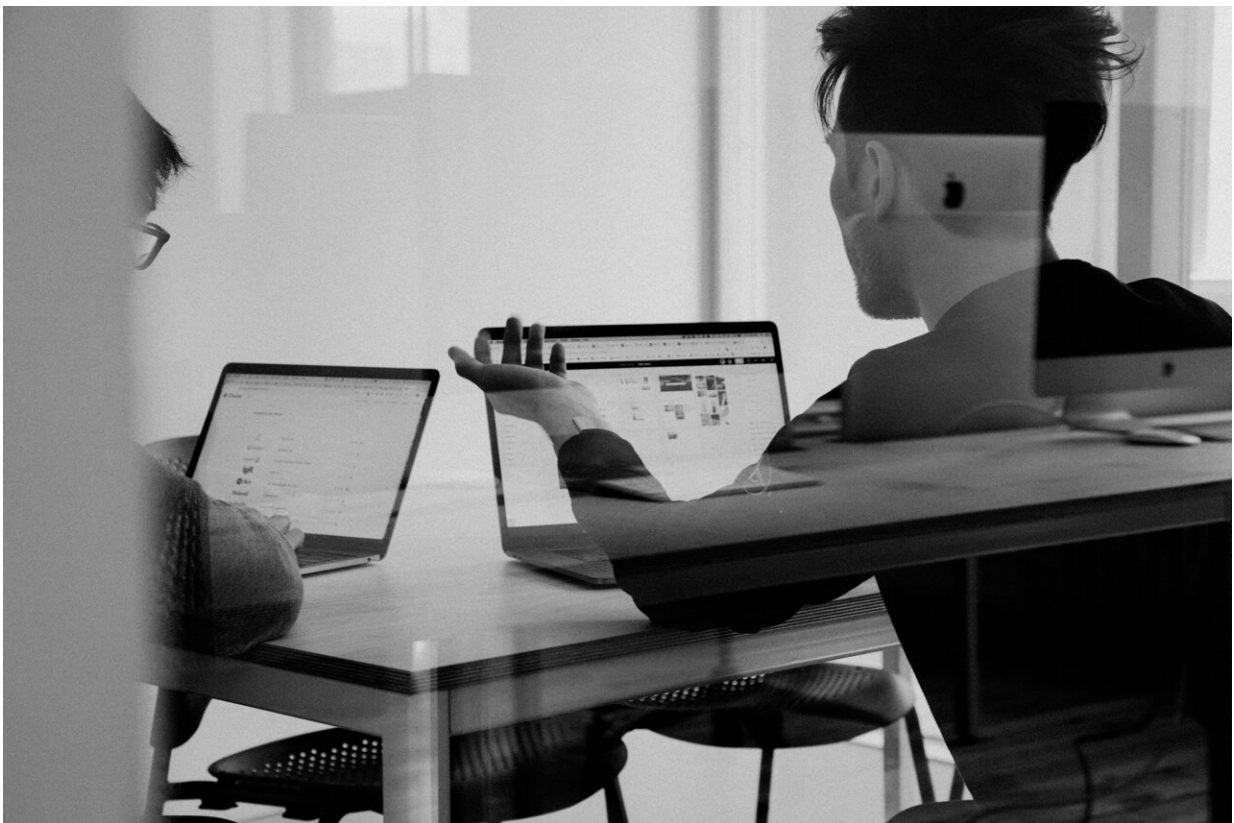


Inclusion is not enough: New study reveals the potential of coaching employees to drive new strategic ideas

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In the landscape of modern business, inclusion isn't just a buzzword—it's a strategic imperative. Companies like IBM, Volkswagen and Starbucks are moving to more participative strategy development approaches that reflect a growing understanding of the importance of diversity in fostering innovative and creative strategic ideas. Yet the outcomes of inclusive strategy processes often fall short of expectations. A [new study](#) in the *Strategic Management Journal* sheds light on why that may be.

In their study of an inclusive strategy process in a large insurance company, Violetta Splitter, along with co-authors David Seidl and Richard Whittington, showcase the transformative potential of inclusion in strategy [development](#) processes.

In their study, 40 mid- and lower-level managers and professionals were invited to participate in a 20-week strategy development process. Their task was to submit concepts for a fresh strategic plan aimed at gaining investor confidence and employee support. The result? An increase of three percentage points in the company's share price—an \$18bn increase in market capitalization.

Yet getting there wasn't easy. Despite initial enthusiasm from [senior management](#), the first few weeks of the process were plagued by frustration, as employees failed to pitch ideas in a manner that the CEO and top managers could work with.

At the heart of the issue was that employees, inexperienced with corporate strategy-level communication, defaulted to reiterating corporate themes that the CEO was already familiar with, or else spoke about local concerns that did not connect coherently to strategic goals.

Yet, as the weeks went by, a significant change took place. As

employees engaged in direct interactions with the CEO, or observed their peers interacting with the CEO, they gradually honed their ability to express ideas in ways that held the CEO's attention in meaningful ways.

Notably, the most productive interactions took place when the CEO actively and specifically coached employees on how to shape their ideas, such as pointing out missing themes, or explicitly indicating how to relate different themes to each other.

The study provides important insight into how inclusive strategies must prioritize opportunities for both employee development and managerial coaching.

"The findings underscore the imperative for senior managers to actively engage in coaching and provide avenues for employee learning," emphasize the authors. "By fostering a culture of inclusive discourse, organizations can unlock untapped potential for innovative strategic ideas."

More information: Violetta Splitter et al, Getting heard? How employees learn to gain senior management attention in inclusive strategy processes, *Strategic Management Journal* (2024). [DOI: 10.1002/smj.3602](https://doi.org/10.1002/smj.3602)

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