

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

Coaching to Develop Psychological Capital to Support Change

Dr Andrea Giraldez-Hayes
University of East London
Email: a.giraldez-hayes@uel.ac.uk

Abstract

There is growing evidence that psychological capital, that is, an individual's positive psychological state achieved by a combination of hope, (self)efficacy, resilience and optimism, is linked to wellbeing, work performance and job satisfaction. Furthermore, research suggests there is a strong correlation between work and life satisfaction, indicating that people who have a sense of achievement and success in their work have more fulfilling lives and vice versa. Numerous studies also show that workers who develop positive attitudes and behaviours are more adaptable and willing to face change, and change is essential in our fast-paced and VUCA (volatile, uncertain, complex and ambiguous) world. If developing psychological capital to support change is, as it should be, the aim of organisations, transformational coaching, as opposed to performance coaching, is the process that can make it possible. Starting from the premise that organisations don't change if people don't change, this chapter will review the concept of psychological capital and discuss how it can be developed both in individuals and organisations using coaching to support change. It will be argued that specific coaching approaches can better accomplish this purpose, and the theory and practice of those approaches will be explored.

Introduction

It is increasingly recognised that psychological skills and literacy are necessary to face unprecedented challenges at work. The world is changing faster than individuals and organisations, and people need resources to adapt and thrive in this uncertain and continuously evolving scenario (Alevato, 2020). In this context, there is growing evidence that positive

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

psychological capital (Luthans, Youssef, & Avolio, 2007; Okun, 2020) can equip people with the resources they need to increase and enhance their adaptability, work performance, job satisfaction and wellbeing.

Whilst there is growing recognition that a company's value goes beyond its financial, physical and tangible assets, its human capital, and its social capital, and extends to employees' psychological capital, however most employees are not well equipped to work in the present environment, mostly because they have not had the opportunity to learn and develop the skills they need to thrive in today's workplace. As such, many companies are investing in both training for increased psychological literacy and skill development together with coaching as an effective intervention to address employee's needs. This chapter examines the use and potential of coaching to develop psychological capital to support individual resilience, wellbeing and performance in the workplace. The four key components of PsyCap will be reviewed where well established theories are considered. Finally, recommendations for applying PsyCap within an evidence-based coaching context will be explored together with practical hints for those coaching people in different labour settings.

What is positive psychological capital?

We are all aware of the speed of change in our volatile, uncertain, complex and ambiguous (VUCA) world (US Army Heritage and Education Centre, 2019). Developments in technology and artificial intelligence, globalisation, climate change, economic uncertainty, inequality and, more recently, the COVID pandemic, are having a massive impact on how, when and where we work. Today's workplace looks very different than it did two decades ago, and the future is difficult to envisage accurately. However, in the midst of uncertainty, something *is* clear: adapting to fast-paced and unpredictable change requires flexibility, agility and a good dose of emotional, cognitive and behavioural skills. Some of this repertoire resides in employees' positive psychological capital (PsyCap), that is "an individual's positive psychological state of development" (Luthans, Youssef, & Avolio, 2007, p. 3) that consists of a combination of hope, (self-)efficacy, resilience and optimism (HERO). It is about "who you are", rather than "what you know" (human capital) or "who you know" (social capital). These skills can be developed, managed and measured, and there is growing evidence that people's positive psychological

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

capital is linked to job and life satisfaction, productivity and wellbeing (Luthans et al., 2004; Luthans et al., 2007; Culberston, Fullagar & Mills, 2010).

Based on the assumption that organisations and workplaces don't change if people don't change, companies have started to recognise that it is worth investing time, resources and effort to support individuals to flourish and thrive, and the four components of PsyCap may well be essential areas of development (Nwazu & Babadola, 2019). The question is *how* to increase PsyCap, and the aim of the rest of this chapter is to offer some solutions. To do so, we describe PsyCap's four components, discuss how to use coaching to increase PsyCap to achieve change, review practical examples, and present a case study.

The four components of psychological capital

As work environments are becoming more complex, most workers are faced with new and ongoing challenges. Those with a positive psychological state of development will find it easier to succeed because they will have (a) the confidence (self-efficacy) in their ability to undertake tasks and attain their goals; (b) the perseverance to keep moving forward towards goals, with the expectation that they will be achieved (hope); (c) the capacity to recover quickly from difficulties or setbacks (resilience); and (d) the belief that outcomes will be positive (optimism). Although these four components are interrelated, for clarity's sake, we will briefly describe them separately, considering their contribution to the development of positive psychological capital in the workplace.

Self-efficacy

Have you ever tried to undertake a task you believed was well beyond your knowledge and/or ability? How did you feel? Are there some activities you think you could do "with your eyes shut"? How do you feel when a task seems easy, doable, or even challenging but within your competence? When facing a new task, what determines your thoughts and feelings is your perceived self-efficacy, that is your belief about your capability to successfully undertake and complete a task (Bandura, 1997). People with a low sense of self-efficacy usually avoid difficult tasks and perceive them as threats. Therefore, they typically don't have high ambitions and find it difficult to commit to their goals (Bandura, 1994). Conversely, a strong sense of

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

self-efficacy increases the chance of attempting even the most difficult task, and to persist until its completion, gaining a sense of accomplishment that enhances the individual's wellbeing. Research has demonstrated that self-efficacy can be developed (Bandura, 1997), and is a critical factor in achieving goals (Locke et al., 1984).

Hope

Why do some people seem to be positive and convinced that there is always a way forward, while others can only see problems? Confronted with a difficult demand, why do some individuals give up, while others seem able to surpass their limitations and manage to “fake it until they make it”? The answer is in the extent of their hope.

Hope has been defined as “the perception that one can reach desired goals” (Snyder & Lopez, 2002, p. 257). In other words, the energy, motivation and determination to set and pursue goals (agency) in the belief that one will find ways to achieve them (pathways) (Snyder et al., 1998). Hopeful thinking enables people to set and achieve more ambitious goals; since, they believe they will find avenues to the desired outcome, they often seek out or develop better strategies, such as breaking the task down into more realistically achievable steps (Boniwell & Tunariu, 2019).

There are both similarities and differences between self-efficacy and hope. Although both theories explore why people find it easier or more difficult to achieve something, self-efficacy relates to people's estimation of whether they *can* perform a task or achieve a goal, while hope focuses on the person's belief that they *will* begin and persist with required actions to obtain the desired results. Snyder & Lopez (2002) suggest that the words *can* and *will* make a crucial difference, as one refers to the *capacity* to take action, and the other to the *intent* to take action. As with self-efficacy, research suggests that people's existing levels of hope can be raised through training in agentic and pathways thinking, which, in turn, has a positive impact on individual and organisational performance (Luthans & Jensen, 2002).

Resilience

Why do some people seem to recover after a setback in the workplace while others get stuck? Why do some succeed in the face of adversity, looming deadlines or redundancy, and others

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

do not? Why do some have the flexibility to adapt easily to turbulent transformations, and others resist change? Chances are that the answer lies in these people's resilience.

Broadly speaking, resilience is flexibility to adapt positively to the changing demands of stressful experiences, with the ability to recover, bounce back, or even thrive quickly and effectively after significant upsets or adverse experiences (Garcia-Dia et al., 2013). Individuals with high levels of resilience may perceive the demands of the workplaces' ever-changing and challenging environments as less stressful and, therefore, their risk to face health problems, anxiety and burnout reduces dramatically. Evidence suggests that resilient people are usually curious, open to new experiences and have an optimistic, enthusiastic and vibrant approach to life (Tugade & Fredrickson, 2004), which includes realistically optimistic thinking and a positive approach to explain life events to themselves.

Resilient people tend to believe that their buoyancy is an innate trait. However, while it is true that some individuals seem to be more resilient from a young age, research suggests that most people can learn and enhance their ability to cope, flourish and thrive in adversity by developing a cluster of effective strategies such as mental agility or mindfulness that reduce vulnerability and a predisposition to stress (Jackson, Firtko & Edenborough, 2007). In fact, it has been proved that resilience training in the workplace can improve flexibility, mental health, subjective wellbeing, psychosocial functioning and performance in employees (Robertson et al., 2015).

Optimism

Do you usually see the glass half full or half empty? Technically, the volume of liquid is the same, but as Winston Churchill once said, "The pessimist sees the difficulty in every opportunity. The optimist sees the opportunity in every difficulty". Two approaches have been used to conceptualise and define optimism in positive psychology: dispositional optimism and explanatory style.

Dispositional optimism refers to generalised expectations of positive outcomes in one's life (Scheier, Carver & Bridges, 1994). Being optimistic might seem the same as being hopeful,

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

but it is not. Optimistic people believe that something will happen – someone else’s actions, luck, etc. – to make their future favourable and fortunate. Hopeful individuals believe in their own ability to undertake self-initiated actions to create good fortune and success (Alarcon, Bowling & Khazon, 2013).

The concept of explanatory style was introduced by Seligman in his seminal positive psychology book, *Learned Optimism: How to Change Your Mind and Your Life* (1990). According to Seligman, whether you are an optimist or a pessimist depends on how you explain negative events to yourself. Pessimists see difficulties as personal, permanent and pervasive. They tend to blame themselves for failures (“This is my fault”), and attribute success to luck or external factors (“The interview went well because I was asked easy questions”). When something goes wrong, pessimistic people expect the negative consequences to last for a very long time, or even forever. Finally, they are inclined to believe that negative events will be widespread and that a problem in one domain will taint other areas in life or work. Conversely, optimistic people tend to attribute their success to their hard work or their own talent, view a setback as temporary, and consider failure an isolated incident. Table 1 summarises these explanatory styles.

	Positive circumstance	Negative circumstance
Pessimistic	External cause Temporary Specific	Personal (Internal) Permanent Pervasive
Optimistic	Personal (Internal) Permanent Pervasive	External cause Temporary Specific

Table 1. Attributional or explanatory styles

Research suggests that optimistic individuals are healthier, have more successful careers, and live longer (Carver & Scheier, 2014; Kelsey & Carol, 2019). Being optimistic does not imply self-deception or ignoring problems, but rather to embrace them in the belief that something

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

will improve the situation; and as with all the other PsyCap components, optimism can be learned (Seligman, 1990).

Coaching to enhance positive psychological capital

As explained above, all psychological capital components can be learnt, developed or enhanced, and organisations use different methods and resources to support their employees in this endeavour. One approach is training, another is coaching and, finally, one is a combination of both. While training can be useful to raise self-awareness and acquire knowledge and skills, coaching can accelerate development and sustain more long-term change. In fact, knowing about something does not mean you will apply it. Research suggests that without reinforcement, one year after training, employees apply only 34% of what they learnt, and there is a significant decline in the use of skills (Saks & Belcourt, 2006). As the transfer of training into practice is not guaranteed, we argue that workplace coaching is a key strategy to secure individuals and organisational change.

Coaches of different backgrounds and approaches can help their clients to identify, clarify and set personal and organisational goals that are specific and stretching, in order to build their confidence and enhance their levels of self-efficacy, hope, resilience and optimism. Coaches can support clients so that they can build their self-awareness, become who they want to be, move forward in the direction they decide and lead positive change. A wide variety of approaches may be used to develop PsyCap, including: cognitive-behavioural coaching, solution-focused coaching, positive psychology coaching, strengths-based coaching, systemic coaching, acceptance and commitment coaching (ACC) or integrative methods. Coaching provides clients with the time and dedicated thinking space to explore salient areas of personal and professional development in structured and proactive ways. It also gives coachees the chance to stay focused and identify pathways to make progress towards achieving sustainable development goals, hopefully aligned with their organisation's vision and values.

Although PsyCap can be treated as a single entity, during coaching sessions, and once the client has set one or more goals, the conversation may in turn focus on one or more of its component parts. For the sake of clarity, we will consider them separately.

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

Coaching to improve self-efficacy

As described above, self-efficacy is a belief that stems from the person's own judgement about his competence to undertake certain tasks. An individual with enough skills but low levels of self-efficacy will probably not take the necessary steps to complete a task and will avoid engaging with new activities or challenges. Conversely, a person with high levels of self-efficacy, will not only engage with new tasks, but will have more probability of being successful, and if he is not, he will perceive the setback not as a failure, but as a new problem to be solved. Therefore, self-efficacy is also a main determinant for motivation and behavioural change. Evers, Brouwers and Tomic (2006) have demonstrated the impact of coaching on managers' self-efficacy beliefs. Their results showed that four months after a coaching intervention, the group that received coaching scored significantly higher in self-efficacy levels compared to a control group.

As self-efficacy is domain-specific, the coaching process should be targeted to improve self-efficacy beliefs or outcome expectancies in the problem area. For example, we could work with a client who feels confident in his abilities across most areas, but lacks confidence in something specific, for example, public speaking. If this person needed to deliver a presentation, he might struggle, despite his motivation, because he doubts his capability to do it. During the coaching conversation, the coach might use a set of questions to elicit the client's level of confidence and self-belief in his capacity to achieve his goal. The coach could, for example, use a scale of one to ten to identify the client's level of perceived self-efficacy to speak in public. Then, she could help the client to identify relevant realities of the situation: what resources (skills, experience, etc.) the client has; the blockages and obstacles to presenting, and what would be necessary to overcome them. Through this, the client would end up identifying their options, with achievable actions to move towards their goal. The coach should also explore and challenge the client's limiting beliefs, asking questions such as "What is the evidence that people don't engage when you are speaking?". Using a solution-focused approach, the coach could help the client to identify exceptions to the perceived difficulty. For example, "Tell me about times when you have been able to engage people during your presentations". Exception

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

questions help the client to pinpoint occasions when things were different, and they were not held back by the problem.

Scales are a useful tool to assess self-efficacy. For example, the New General Self-Efficacy Scale (Chen et al., 2001), is an 8-item tool used to assess to what extent people believe that, despite the difficulties they may encounter, they can achieve their goals. Scales help the client become aware of their beliefs about their ability to achieve a goal, and to track growths in confidence, as the coaching process moves forward once a goal has been broken down into manageable parts. Even small steps, those that the client perceives within their competence, but moderately outside their comfort zone, will contribute to enhance their self-efficacy and the sense that they can gain ground towards their end goal.

Coaching to develop hope

Coaching can help clients to clearly conceptualise and believe they can attain goals (anything that the client wants to experience, get, do, create or become); identify strategies to move forward, and produce alternative routes to success in the face of obstacles (pathways thinking); and find the motivation to apply those strategies (agency thinking).

As Kaufman (2006) suggests, when clients develop hope, they can think flexibly and change their course of action or ideate alternative routes to get to their destination when the first one they try is blocked. So, when the coach helps a coachee to identify different routes, she is helping the coachee to develop their hope and persevere in their efforts. The coach can also support the coachee to increase his agency (the perception that he can reach a goal) by helping him to specify clear and attainable goals, and vividly recall past successes to connect with cognitive and affective states of possibility.

The G-POWER model, used as a hope intervention in schools (Lopez et al., 2004, 396) is a good example of one of the coaching processes that can be applied to develop employee's hope in different workplaces. One option is to invite the client to find narratives or detailed examples of people who have achieved similar goals to the ones they aspire to, or simply to recount

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

stories of characters or members of their company whom they admire. Then, the coach can help the client to become familiar with the G-POWER model to examine each stage.

- G What is the character's goal?
- P Which pathways does the character identify to move towards his or her stated goal?
- O What obstacles lie in the character's path?
- W What sources of willpower keep the character energised in this process?
- E Which path does the character elect to follow?
- R Rethink the process – would you have made the same decisions or choices?

Afterwards, the coach can invite the coachee to remember their main goal and write their personal hope story following the G-POWER model. This can yield material to work on in a coaching conversation focused on building hope to achieve specific goals.

Coaching to enhance resilience

Resilience at work is essential for employees to break through new challenges and deal with the pressures, demands, turbulence and uncertainty of the contemporary workplace. It is the ability to navigate, adapt and be flexible when facing the obstacles that work repeatedly presents, and to use mental processes and behaviours to protect ourselves from the unhealthy effects of stressors. Coaches can work with their clients to build up resilience, minimise stress, and increase wellbeing and performance. Whilst there may be many interventions to build resilience, one way of doing this is by taking a strengths-based approach.

Positive psychology has expanded our understanding of the role of strengths, defined as positive, trait-like capacities for thinking, feeling, and behaving in ways that benefit oneself and others (Niemic, 2014), in developing resilience. Although stress and adversity are an inevitable part of our work, how we respond to them is our choice and responsibility.

Alongside other resilience-enhancing factors, such as optimism, self-efficacy, positive affect and social support, using character strengths can both predict and promote resilience (Martinez-Marti & Ruch, 2016). Coaches using a strengths-based approach can help their clients to

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

become aware of their strengths, either by spotting them or, even better, by inviting the client to complete a strengths inventory such as the *Values in Action* (VIA). With information about the coachee's strengths profile, coaches can support them to use their strengths to increase their resilience. For example, they could ask a client whose top five character strengths are curiosity, humour, love of learning, social intelligence and kindness how they could use each (or some) of these strengths to overcome adversity, and how could they develop other strengths for the same purpose. As observed by Niemiec (2014), character strengths can be the goal itself (e.g., "I want to build my strength of perseverance") or the pathway to reach a goal (e.g., "I will use my perseverance to complete this task despite the difficulties").

Coaching to increase optimism

Learned optimism (Seligman, 1990) is the idea that optimism, like any other skill, can be cultivated. As described above, optimism and pessimism are linked to our explanatory styles, that is, our way of thinking about life events, and in particular adversity. Coaches can help their coachees to become attuned to their inner voice and change their explanatory style in different situations. Seligman (1990) recommends the ABCDE technique, initially developed by the psychologist Albert Ellis, in which A stands for adversity, that is a specific event or situation that triggers negative thought patterns, B for beliefs, C for consequences, D for disputation and E for effective new beliefs that replace the irrational ones. The technique has five steps, and the idea is that the client uses it to monitor themselves and observe the link between the five elements. Let's consider some of the questions the coach may ask:

Adversity: What is the event that caused you distress? What made you start to feel bad and think negatively? Who was involved?

Beliefs: What did you think during and/or after the event? What did you say to yourself? How did you feel? What did you think could happen as a result of that event?

Consequence: What were the consequences of your beliefs? How did you act? What did you do as a result of your beliefs and emotions that you don't normally do?

Disputation: To what extent do your beliefs help you? What would happen if you had different beliefs?

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

Effective new approach: What is the rational truth related to this event? What do other people tell you? What beliefs would be more helpful? How would you act if you had different beliefs?

During or after the conversation, the coach would encourage the client to record the ABCDE components to examine their negative self-talk, challenge their unhelpful beliefs and, consequently change the outcomes they experience.

In general, a shift from a negative to a positive perspective can have a massive impact, and coaches can help coachees to tap into their inner optimist, reduce negativity in their lives, react more flexibly to events, and increase the frequency of positive experiences.

Investing in positive psychological capital

While developing positive psychological capital is not the only purpose of coaching, there is no doubt that coaching interventions in the workplace promote clients' hope, self-efficacy, resilience and wellbeing. An investment in coaching cultivates a wide range of resources that coachees can use to facilitate their present and future agenda for change (Cook & More, 2020).

The approach described in this chapter would be helpful for coaches, leaders, employees, entrepreneurs and anyone interested in promoting sustainable and positive change in the workplace. Coaching sessions that use an approach grounded in promoting PsyCap can facilitate progress on a wide range of workplace issues, including employee engagement, retention, adaptability, difficult conversations, initiative-taking, creativity, focus, enhanced communication, and performance improvement.

Workplaces have become increasingly demanding, complex and fast-paced. More recently, companies have reported how workers have been impacted and challenged by COVID in remote working, needing to reprioritise their agendas or moving to virtual collaboration and delivery. In this context, employees constantly face new challenges and need different resources to meet the companies' expectations and deliver good results while keeping positive levels of wellbeing. Research has demonstrated that programmes aimed at increasing employees' positive psychological capital can have remarkable and enduring effects on their

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

wellbeing (Avey et al., 2010; Kaplan et al., 2014), which in turn will impact in their attitudinal, behavioural and performance outcomes and their readiness to face change and deal with uncertainty.

Coaching to develop PsyCap to support change is suitable for all types of clients. However, the coachees who will benefit the most are those with low levels of self-awareness and self-efficacy, together with low levels of psychological literacy and capability. In addition, those who are disengaged or finding it difficult to bounce back from challenges, those facing adversity or working under pressure, and those going through a major transformation in their organisation. All these experiences are challenging, and coaching can provide support for clients to thrive not only during those specific experiences, but also to develop skills that they will be able to apply in the future for their success.

The techniques discussed in this chapter are just a few examples of approaches that can be used as part of a coaching programme. In coaching, one size never fits all, and using these or other techniques will be the result of a thoughtful, collaborative consideration of the client's needs.

Case Study

Statistics suggest that companies should focus their efforts to retain employees. The *2020 Retention Report* (Work Institute, 2020) reveals the following statistics:

- The costs of employee turnover have increased 88% since 2010, and continue to add significant operational costs to employers, compromising growth and growing.
- More than 27 out of 100 employees quit in 2019.
- The five main reasons for leaving are, in this order, career development (20%), work-life balance (12%), manager behaviour (12%), job characteristics (10%) and wellbeing (10%).

Employee turnover can have a negative impact on companies' finances and affect workers' moral and wellbeing (Half, 2019). Gradually, organisations are becoming aware that employees with a high level of psychological capital are more productive, engaged and willing

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

to stay. As a result, they have started to consider positive psychological capital training programmes and coaching as mechanisms to reverse the trend.

This case study focuses on the challenges faced by a medium size IT company with a high rate of staff turnover. During an initial needs-analysis, the company became aware that one of the reasons for employees leaving the company was their managers' behaviour, in part related to their difficulties with shifting priorities and constant change. So, the company invested in a coaching programme for middle managers. The programme included weekly coaching sessions for four months. Some of the themes included leading through change, enabling and recognising top talent, setting expectations, coaching and providing feedback, motivating and recognising achievement, increasing self-awareness and wellbeing. Returns on investment included: increased retention, increased engagement, fewer employee issues, less burnout, lower turnover and a clear needs analysis for future management development programmes.

The coachee

Alison is 35 years old. During the chemistry session, she said that in the last decade she had changed jobs every two years, mainly because of poor management, lack of support and, as a result, feeling disengaged. She is now happy with her job and with her line manager, with whom she, like all the remote team, interacts online. However, Alison is also leading a small team (7 people) and wants to make sure she can be a good leader and retain her own people. She didn't volunteer but agreed to take part in the programme and work with a coach.

In her own words, what she would value most in coaching would be "meeting with an experienced coach who can help me achieve my goals through self-discovery, planning, skill development, and accountability." She also wants to invest time in her interpersonal skills (communication, leadership and influence). The programme includes a Psychological Capital Questionnaire (PCQ: Luthans, Bruce & Avey, 2007) and the CliftonStrengths 34 assessment (Gallup, 2020). The results are shared with the coach before the first session. The PCQ reveals that Alison has high scores in optimism and hope, but quite low ones in self-efficacy and resilience. Her top five strengths, as identified in the CliftonStrengths 34 assessment, are

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

positivity, connectedness, responsibility, empathy and harmony. The five least developed strengths are strategic, adaptability, self-assurance, achiever and discipline.

The coaching

When Alison received the result of the PCQ she was not surprised by the results, although she was keen to understand them better and relate them to her main goals of self-discovery, planning, skill development and accountability. For the CliftonStrengths 34 assessment, she was surprised that her self-assurance and achiever were not higher. During the first two sessions, it became evident that she was a good leader for her team, but she was focusing most of her attention on the team and not much on herself. She said she was somehow detached from her own emotions and finding it difficult to identify the pathways and motivation to achieve her goals. She also thought some of the tasks she had to complete were above her level of knowledge and skills, and although her results were outstanding, she would spend a lot of extra time to achieve them. Upon reflection, Alison realised that if she wanted to become a better leader, she would need to start with herself, raising her self-awareness and building her confidence – which included higher levels of resilience and self-efficacy – and self-compassion.

Helping Alison to recognise her blind spots, the strengths she had to build on, and how the ones she perceived as weaknesses might be underused strengths or strengths she could develop through coaching, she decided to focus on self-discovery and skills development and set goals around these areas. The different components of the HERO model were foregrounded in different sessions, according to the topics, journey goals, and manageable actionable steps identified as we went along. For example, when asked to envisage the kind of line manager she wanted to be in the future, she imagined herself as an empathic and encouraging leader, using her top strengths, but at the same time as someone aware of her own needs and able to look after herself. In one coaching conversation related to her tasks and responsibilities, she discovered how her self-talk was undermining her confidence. The coach worked with Alison on her explanatory style, and she concluded she was attributing her success to external causes and the setbacks to her own actions; when something went wrong, she tended to believe that it was going to have a negative impact on other areas.

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

Overall, over the 4 month coaching engagement, Alison achieved some of her goals but, most importantly, completed coaching with an enhanced sense of self-awareness, self-compassion and a range of skills to be a better leader.

Discussion Points

As you consider how coaching can contribute to the development and enhancement of positive psychological capital to support change, you may find it helpful to ask:

1. What issues might a coach need to take into account before starting a psychological capital-enhancing programme with a coachee? How might you decide on the best approaches and techniques?
2. While working with your coachee, would you consider approaching each component of the positive psychological capital separately or interrelated? Why?
3. Consider your own coaching practice. Which techniques would you use to enhance the different components of positive psychological capital in your coachees?
4. What other spheres do you see for coaching to develop positive psychological capital, beyond the workplace? What range of issues could be addressed?

Suggested Reading

Green, A. & Humphrey, J. (2012). *Coaching for resilience: A practical guide to using positive psychology*. London: Kogan Page.

Lopez, S. (2014) *Making hope happen: Create the future you want for yourself and others*. New York: Atria Books.

Luthans, F., Youssef-Morgan, C. & Avolio, B. (2015) *Psychological capital and beyond*. Oxford: Oxford University Press.

Niemec, R. (2017). *Character strengths interventions: A field guide for practitioners*. Boston> Hogrefe.

References

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

- Alarcon, G. Bowling, N. & Khazon, S. (2013). Great expectations: A meta-analytic examination of optimism and hope. *Personality and Individual Differences*, 54(7), 821-827.
- Allevato, E. (2020). Organizational Culture Change: Growth Mindset, Positive Psychology, and Empowerment. In J. Marques & S. Dhiman (Eds.), *Social Entrepreneurship and Corporate Social Responsibility* (pp. 439-454). Cham (Switzerland): Springer.
- Avey, J.B., Luthans, F., Smith, R.M. & Palmer, N.F. (2010). Impact of positive psychological capital on employee well-being over time. *Journal of Occupational Health Psychology*, 15(1), 17–28.
- Bandura, A. (1994). Self-efficacy. In V. S. Ramachandran (Ed.), *Encyclopedia of human behaviour* (Vol. 4, pp. 71-81). New York: Academic Press. (Reprinted in H. Friedman [Ed.], *Encyclopaedia of mental health*. San Diego: Academic Press, 1998). Retrieved from <https://www.uky.edu/~eushe2/Bandura/Bandura1994EHB.pdf>
- Bandura, A. (1997). *Self-efficacy: The exercise of control*. New York, NY: Freeman.
- Boniwell, I. & Tunariu, A. (2019). *Positive Psychology: Theory, Research and Practice*. London: Open University Press.
- Carver, C. & Sheier, M. (2014). Dispositional optimism. *Trends in Cognitive Science*, 18(6), 293-299.
- Chen, G., Gully, S. & Eden, D. (2001). Validation of a New General Self-Efficacy Scale. *Organisational Research Methods*, 4(1), 62-83.
- Cook, A. & Moore, M. (2020). Invest in Psychological Capital. *Institute for Coaching. IOC Research Dose*. Retrieved from <https://instituteofcoaching.org/resources/invest-psychological-capital>
- Culbertson, S., Fullagar, C. & Mills, M. (2010). Feeling good and doing great: The relationship between psychological capital and well-being. *Journal of Occupational Health Psychology*, 15(4), 421-433.
- Evers, W. J. G., Brouwers, A. & Tomic, W. (2006). A quasi-experimental study on management coaching effectiveness. *Consulting Psychology Journal: Practice and Research* 58, 174-182.
- Gallup (2020). CliftonStrengths. *Gallup*.
<https://www.gallup.com/cliftonstrengths/en/strengthsfinder.aspx>
- Garcia-Dia, M. J., DiNapoli, J. M., Garcia-Ona, L., Jakubowski, R., & O’Flaherty, D. (2013). Concept analysis: resilience. *Archives of Psychiatric Nursing*, 27, 264–270. doi: 10.1016/j.apnu.2013.07.003

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

- Half, R. (2019). What is staff turnover really costing you? *Robert Half*. Retrieved from <https://www.roberthalf.com.au/blog/employers/what-staff-turnover-really-costing-you>
- Jackson, D., Firtko, A. & Edenborough, M. (2007). Personal resilience as a strategy for surviving and thriving in the face of workplace adversity: a literature review. *Journal of Advanced Nursing*, 60(1), 1-9. <https://doi.org/10.1111/j.1365-2648.2007.04412.x>
- Kauffman, C. (2006) Positive psychology; the science at the heart of coaching. In D. Stober, & A.M. Grant, *Evidence Based Coaching Handbook* (pp. 219-253). Hoboken: Wiley.
- Kaplan, S. et al. (2014). A test of two positive psychology interventions to increase employee well-being. *Journal of Business and Psychology* 29(3), 367-380.
- Kelsey, O. & Carol, G. (2019). Longer, more optimistic, livers: Historic optimism and life expectancy in the United States. *Journal of economic behaviour and organisation*, 168, 374-392.
- Locke, E.A. et al. (1984). Effect of self-efficacy, goals, and tasks strategies on task performance. *Journal of Applied Psychology*, 69(2), 241–251. <https://doi.org/10.1037/0021-9010.69.2.241>
- Luthans, F., Avolio, B. J., Avey, J. B., & Norman, S. M. (2007). Positive psychological capital: Measurement and relationship with performance and satisfaction. *Personnel Psychology*, 60, 541–572.
- Luthans, F., Avolio, B. & Avey, J. (2007). *Psychological Capital Questionnaire*. Available at <https://www.mindgarden.com/136-psychological-capital-questionnaire#horizontalTab2>
- Luthans, F., Luthans, K. & Luthans, F. (2004). Positive psychological capital: Beyond human and social capital. *Business Horizons*, 47(1), 45–50.
- Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital: Developing the human competitive edge*. Oxford, United Kingdom: Oxford University Press.
- Martinez-Marti, M. & Ruch, W. (2016). Character strengths predict resilience over and above positive affect, self-efficacy, optimism, social support, self-esteem, and life satisfaction. *The Journal of Positive Psychology*, 12(2), 110-119.
- Nwazy, C.L. & Babadola, S.S. (2019). Examining psychological capital of optimism, self-efficacy and self-monitoring as predictors of attitude towards organisational change. *International Journal of Engineering Business Management*, 11, 1-12.
- Niemiec, R. M. (2014). *Mindfulness and character strengths: A practical Guide to flourishing*. Cambridge, MA: Hogrefe.
- Okun, O. (2020). The Positive Face of Human Capital, Psychological Capital, and Well-Being. In S. Hai-Shew (Ed.), *Maintaining Social Well-Being and Meaningful Work in a Highly Automated Job Market* (pp. 145-170). Pennsylvania: ICI Global.

Cite as: Giraldez-Hayes, A. (2021). Coaching to develop psychological capital to support change. In W.A. Smith, I. Boniwell and S. Green (Eds.), *Positive Psychology Coaching in the Workplace* (pp. 259-276). Springer.

- Robertson, I., Cooper, C., Sarkar, M. & Curran, T. (2015). Resilience training in the workplace from 2003 to 2014: A systematic review. *Journal of Occupational and Organisational Psychology*, 88, 533-562.
- Saks, A. & Belcourt, M. (2006). An investigation of training activities and transfer of training in organisations. *Human Resource Management*, 45(4), 629-648.
- Scheier, M. F., Carver, C. S. & Bridges, M. W. (1994). Distinguishing optimism from neuroticism (and trait anxiety, self-mastery and self-esteem): A re-evaluation of the Life Orientation Test. *Journal of Personality and Social Psychology*, 67, 1063-1078.
- Seligman, M.E.P. (1990). *Learned Optimism: How to Change your Mind and Your Life*. London: Nicholas Brealey.
- Seligman, M.E.P. (2002). Positive psychology, positive prevention, and positive therapy. *Handbook of Positive Psychology*, 2, 3-12.
- Snyder, C.R. (2002). Hope theory: Rainbows in the mind. *Psychological Inquiry*, 13(4).
- Snyder, C.R. & Lopez, S. J. (2002) (Eds.). *Handbook of positive psychology*. Oxford: Oxford University Press.
- Snyder, C.R. et al. (2018). Hope Theory: A Member of the Positive Psychology Family. In M. W. Gallagher & S. J. Lopez (Eds.), *The Oxford Handbook of Hope* (pp. 27-44) Oxford: Oxford University Press.
- Tugade, M. & Fredrickson, B. (2004). Resilient Individuals Use Positive Emotions to Bounce Back from Negative Emotional Experiences. *Journal of Personality and Social Psychology*, 86(2), 320-333.
- U. S. Army Heritage & Education Center (2019). Who first originated the term VUCA (Volatility, Uncertainty, Complexity and Ambiguity)? *USAHEC Ask Us a Question*. <https://usawc.libanswers.com/faq/84869>
- Whitmore, J. (2001). *Coaching for Performance*. London: Nicholas Brealey.
- Work Institute (2020). *2020 Retention Report*. Retrieved from <https://info.workinstitute.com/hubfs/2020%20Retention%20Report/Work%20Institutes%202020%20Retention%20Report.pdf>