Building community capacity by developing regional business networks: A case for business coaching

Anna Blackman

James Cook University, Australia, anna.blackman@jcu.edu.au

Introduction

Tourism is often proposed as a strategy for community development, especially in rural or remote regions where traditional industries, such as agriculture, are experiencing an economic downturn and there are limited alternative opportunities. In promoting tourism development there is generally an assumption that it brings jobs and income which, in turn, contributes to overall community wellbeing.

Unfortunately, these regions do not always enter into the business of tourism with a clear understanding of the associated difficulties and challenges. While those responsible for development assume that tourism may be a source of economic opportunities, many business owners are not engaged with the tourism industry and do not understand how they might engage with it. This is particularly the case for businesses outside of what is generally considered the tourism industry and for micro, small and medium sized enterprises (MSMEs) that have limited time to explore avenues that stretch their business to new products and / or new markets. The challenge is to critically examine the links between tourism development and the impacts this has on community wellbeing in more detail and to identify ways in which tourism can make a positive contribution to community wellbeing. This paper contributes to this area of research by investigating the use of business coaching as a capacity building tool for MSMEs looking to incorporate tourism into their businesses in a north eastern regional Australian destination.

The tourism system

To examine the potential for tourism to contribute to community wellbeing it is important to consider tourism as a system which stresses the interconnectedness between the demand side (the market) and the supply side (including transportation, attractions, services and information/promotion) as well as with external elements such as the natural environment and cultural resources, social structures including organisation and leadership, community attitudes, availability of finance and entrepreneurs, competition and government policies (Gunn, 1988). Seeing tourism as a comprehensive system enables recognition of the web of linkages between the industry and the broader community (Bauer
et al (Undated) and enables consideration of new avenues for development of business opportunities beyond those that are traditionally considered ‘tourism’.

But, it is not straightforward. Studies of why many businesses are not engaged in or with the industry in rural or remote regions suggest the need for MSME capacity building in and around tourism (Blackman et al., 2004). For example, Herremans, Reid and Wilson (2005) explored transferring best practices and learning methods of environmental management systems among tour operators. They found that more effective transfer of knowledge happens when participants are familiar with the guidelines and their benefits and that best practice can be hard to imitate if certain barriers are not addressed. Barriers included the recipients’ ability to absorb the concepts, their ability to understand how the concepts are applied and the relationship between the source (trainer) and the recipient. “Knowing the motivations and values of tour operators and developing a learning environment to make the relationship less onerous can alleviate the last barrier...” (Herremans, et al., 2005:317).

A range of practices are available to support capacity building of MSMEs including mentoring (a one-on-one learning process), job assignment (working on specific roles and tasks) and action learning (similar to job assignment but with more structured reflection and support). Two options can lend themselves to building capacity within rural and remote locations in this context; classroom programs (Day, 2001) and business coaching (Day, 2001; Hall, Otazo, & Hollenback, 1999; Peterson, 1996).

Classroom programmes such as workshops are used widely (Day, 2001) as workshop environments allow for participants to interact and develop social capital through the use of networking. They also help participants by structuring time in their business schedules to participate in development options (Boaden, 2006). In contrast, and more significantly, business coaching helps focus the individual on particular goals through the use of one-on-one sessions which help with learning and behavioural change (Day, 2001; Hall, et al., 1999; Peterson, 1996). The link between the use of goal setting and higher performance has been established in the literature (Garman, Whiston, & Zlatoper, 2000; Locke & Latham, 1990). Business coaching is a long-term practice and is more comprehensive in terms of assessment, challenge and support. The use of workshops to relay coaching skills and then follow up one-on-one coaching sessions has been suggested as an effective combination to provide maximum effectiveness (Damon, 2007).

Business coaching

While business coaching is a learning method that can be used to address barriers and build capacity in and around tourism, there is a need to adapt the coaching to the specific circumstances of the MSMEs for it to work effectively.

Many businesses already make substantial investments in staff development programs hoping that these will increase productivity and be a source of competitive advantage for
their organisation (Fulmer, Gibbs, & Goldsmith, 2000). Business coaching is one type of staff
development activity that has become very popular in recent years. In 2003 Capuzzi Simon
claimed that there were tens of thousands of business coaches in the USA and three years
later Fillery-Travis and Lane (2006) described business coaching as a $2 billion per annum
market. More recently Liljenstrand and Nebeker described business coaching as “the fastest
growing field within consulting” (Liljenstrand & Nebeker, 2008:58). Coaching has typically
been implemented in large, highly structured organisations located in major cities around
the world; little has been written about the use of coaching for MMSMEs in rural and
remote regions as a tool to build capacity and impact wellbeing.

In the present paper business coaching is defined as a formal relationship with a designated
coach, “in which the coachee and coach collaborate to assess and understand the coachee
and his or her leadership developmental tasks, to challenge current constraints while
exploring new possibilities, and to ensure accountability and support for reaching goals and
sustaining development” (Ting & Hart, 2004:116). Discussions of business coaching thus
usually distinguish it from mentoring by focussing on external coaches and by highlighting
the formal, structured nature of the relationship between the coach and coachee
(Witherspoon & White, 1996).

There are several different approaches to coaching and any one coaching program can
include a range of techniques and activities. Coaching programs can also vary in terms of the
number, variety and types of techniques that are used within the program, the length of the
program, and the type of consultant employed as the coach (Blackman, 2006).

**Business coaching in tourism**

In 2005, Moscardo noted that there was no empirical literature on business coaching in the
tourism sector (Moscardo, 2005). Since that time there has been little change and there is
still barely any literature on coaching in the tourism sector. A search of scholarly articles in
tourism journals using the key words: business coaching and tourism, coaching and tourism,
leadership coaching and tourism, leadership coaching and small business found only one
article specifically related to coaching and tourism (Blackman, 2008). The literature search
demonstrated that there is a developing trend for research in the area of management
development (Watson, 2008) and the importance of networks (Kelliher, Foley, & Frampton,
2009) and the ability to share knowledge (Yang, 2007) for rural businesses.

There is no literature available on the limitations of coaching effectiveness, this is probably
due to the fact that most research on coaching has been very positivistic in nature. It is
important that businesses that are considering coaching are aware of what barriers may
occur within the coaching experience. It is important to recognise that MSMEs considering
tourism as a value add to their business will have barriers that are specific to their industry.
One particular barrier to better outcomes for destinations is a lack of being able to build
capacity in MSME businesses (Blackman, et al., 2004). Other issues include time (business
owners are busy and those already working in tourism often operate businesses 24 hours a day, 7 days a week), distance (related to being rural and remote) and relevance (the combining of tourism with other activities, ie tourism is not their core business) that ultimately limit their ability to participate in coaching and the development of tourism as a value add to their business.

One aspect of building capacity within a business is to have strong leadership. Leadership has been identified as a key factor in developing tourism in regional areas and one of the key features associated with effective tourism leaders was the access that they had to business networks (Long & Nuckolls, 1994; Teare, 1998; Wilson, Fesenmaier, Fesenmaier, & Van Es, 2001). This finding is similar to the work conducted by House and Aditya (1997) who argue that networking is a beneficial way to develop leadership skills. Coaching can be used to help develop local leaders and research into the role that leadership plays in developing tourism in regional areas has been conducted in a wide range of countries including Australia (Kenyon & Black, 2001), Norway (Holmefjord, 2000), Portugal (Edwards & Fernandes, 1999), the Slovak Republic (Clarke, Denman, Hickman, & Slovak, 2001), the US (Lewis, 2001), Croatia (Petric, 2003) and Romania (Muica & Turnock, 2000).

One of the specific themes for community leadership in the tourism sector identified by Moscardo (2005) is to have extensive local networks. She puts forward three reasons for this. First, that it is unlikely that one person would be able to provide all of the skills and support necessary, a view supported by Sorensen and Epps (1996). Second, it would be difficult for one person to have enough time to support the number of activities needed for rural regional development (Blackman, et al., 2004). Third, an individual would have to deal with a large number of stresses alone and having a network could help lessen the burden placed on the individual leader (Hartley, 2002; Kirk & Shutte, 2004; McKenzie, 2002; Teare, 1998; Wilson, et al., 2001; Wituk et al., 2003).

In summary, tourism is often seen as one avenue for economic development available to rural and remote communities. Participation in tourism by many MSMEs however is limited due to a lack of understanding of the industry and how to be involved. Sustainable tourism development needs good leaders who in turn need good networks. In order for tourism related MSMEs to develop leadership abilities, coaching is one approach that could help to facilitate leadership skills and provide the opportunities for important networks to be formed. The literature on business coaching from the tourism sector is sparse and there is a need for more in-depth knowledge on the role that business coaching could play in leadership development for developing tourism destinations.

Case Study

Bearing these issues in mind, this case study investigated the use of business coaching as a capacity building tool for MSMEs looking to incorporate tourism into their businesses. The study employed a mixed-method approach to collect data from key stakeholders in a
regional destination in tropical, north eastern Australia. Traditionally the study region has been considered as peripheral in terms of tourism because it lies between two major established destinations. Stage one of the research consisted of a one day workshop with 14 MSME operators. The location for the workshop was chosen as it was a regional destination in the tropics that had many MSMEs from a number of different sectors. The researchers had also conducted community wellbeing workshops in the area previously and found that business owners were requesting to have the opportunity to attend business development workshops that were not readily available to them due to their location.

Flyers were sent out to key business stakeholders, e.g. Local Council and Chamber of Commerce. An advertisement was also placed in the local newspaper, promoting the workshop as an opportunity to improve business skills through the use of business coaching and specific information on tourism future trends locally, nationally and internationally. Each participant self-selected to attend the workshop. There were no restrictions on the type of MSME that could participate. This is evident in the sample demographics below.

Stage two consisted of a series of monthly one-on-one coaching sessions over a period of four months with three volunteer participants from the initial workshop. One-on-One coaching sessions commenced approximately one month after the initial workshop allowing participants sufficient time to introduce strategies discussed at the workshop. During the coaching sessions participants were able to review the goals they set in the workshop and prioritise their next steps. Evaluations were conducted at the conclusion of the workshop and again with all participants at the end of the one-on-one sessions.

The sample consisted of 14 self-selected participants who attended the workshop to better understand coaching and future trends in tourism and identify how tourism could be incorporated into their business. Workshop participants came from a range of industries and a mix of business sizes (see Table 1 Below). All participants had been in their current roles for more than two years, with the majority stating over 10 years’ experience in that role. Only one participant had not yet started their business.

Table 1: Participants
- 5 x owners of accommodation venues
- 2 x farmers
- 1 x environmental educator
- 1 x counselor
- 1 x business support worker for a major bank
- 1 x worked in a museum
- 1 x photographer
- 1 x traditional land owner
- 1 x antique business owner

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The workshop was conducted over a period of approximately six hours with the day broken into five sessions. Sessions included general coaching skills that can be incorporated into any business, complimented by sessions tailored to tourism specific topics.

The first session included an introduction of the researcher and background information on the research and a guest speaker from the tourism industry who introduced current and future tourism trends in Australia and globally. This provided participants with foundational information upon which they could make informed decisions throughout the workshop. Participants were also asked to introduce themselves and were provided opportunities throughout the day to network with others.

In the second session the researcher established the parameters of goal setting and how it could benefit participants. Using this information the group then defined their individual values and vision. The third session consisted of setting goals, objectives, identifying critical success factors and developing strategies. In the fourth session participants developed an action plan to help them to achieve the goals they had set earlier and the fifth and final session included a group discussion with the guest speaker from the tourism industry returning to talk about industry challenges and opportunities that the participants had identified during the course of the workshop. Participants were then informed that the researcher would be conducting follow-up one-on-one coaching sessions with interested participants as a follow-up to the workshop and as part of an ongoing research project.

Three workshop participants agreed to participate in the one-on-one coaching sessions which were held monthly, over a four month period with the researcher.

Workshop participants were asked to complete an evaluation form immediately following the workshop and then again approximately four months later. The dual evaluation process was designed to allow participants time to return to the work place and introduce strategies that had been developed in the workshop. During the four month period one-on-one coaching sessions were conducted with the three volunteer participants from the workshop. Participants in the coaching sessions also completed a final evaluation form that included extra questions specifically focused on the one-on-one sessions at the end of the four month period. The evaluation forms asked participants a number of questions about the most useful aspects of the workshop, what strategies they had been able to implement since the workshop and what they would like to see incorporated into future workshops. For this paper, questions regarding the possibilities of adding tourism to their business and what barriers they could foresee to achieving this have been analysed from the final evaluation form four months after the initial workshop.

After four months, participants were asked the following questions; “Thinking about tourism as a business area, what opportunities do you think there are in tourism in your region to expand your business?” And “What barriers/problems do you foresee?” Participants were
able to provide multiple responses to each question. The main themes emerging from responses have been reported.

Opportunities

When considering the opportunities for tourism in their businesses, participants commented on the potential to create employment for the local area and noted the opportunities to expand their businesses into other areas, programs or services which could have a positive effect. Others mentioned the potential to expand into specific niches such as events like weddings, photography shoots, farm tours and promoting the local area via tours. One participant mentioned that there was an opportunity to inform tourists of the areas they were visiting and was particularly interested in expanding into educational tourism through his guided tours. Other respondents felt that health and wellbeing were future areas of interest for their customers. Participants also mentioned that the opportunities were not limited to one demographic of visitor and could see potential to increase visitation from locals, interstate and international visitors. Participants included in their list of opportunities niche markets that they could provide products or services to that are currently underutilized in their region (e.g. catering for disabled guests).

Overall three key areas of opportunity were highlighted; 1. those where the participants had some experience or skill sets that they could utilize to expand their business; 2. opportunities that capitalize on the uniqueness of the location; and 3. providing services in demand by local and interstate visitors as well as those that are international that were not already catered to. None of the workshop only respondents considered the opportunity to become suppliers to the tourism industry by providing what they already do rather than change/adapt/evolve their business to receive tourists themselves. This means, they were solely focused on the tourists attending their business, rather than considering how they could benefit from being linked to the broader tourism system.

In contrast, two of the respondents who experienced the one-on-one coaching considered how their businesses could benefit from being involved in the broader tourism system. One, a farmer, was supplying chefs in southern Australia with farm products. Another was incorporating her networking skills to market her business to other local businesses and associations, which in turn recommended visitors to her business. This had previously not happened as she had not yet made those connections and involved herself in those supportive networks. Knowd (2006) supports the theory of interconnectedness as a potential for an agricultural/tourism nexus, which is what this respondent had done with her own business and tourism. He emphasizes the importance of the nexus and how it “...defines a set of relationships between the industries that have important community identity and branding potentials for both tourism and agriculture based in food and wine culture, regional production to establish geographical indications, and destination image.” (Knowd, 2006:38). Kelliher (2009) notes that in order for small tourism businesses to survive
they must form or enter into cooperative bonds with others within their industry. Their competitive advantage will be determined not by how efficiently they produce but by their ability to “exploit available resources in the network” (Kelliher, et al., 2009:84).

Having both the workshop only and the workshop and one-on-one coaching participants identify potential opportunities helped them to develop goals that could be worked towards after the workshop. The third one-on-one coaching participant commented on the usefulness of the one-on-one sessions to help her to “get down to specifics, set goals and have to be accountable at the next session. Helped to clarify some of the ‘roadblocks’. Access to ongoing encouragement rather than thinking you have to ‘do it all yourself’”. One of the key components to coaching is to identify the barriers that could occur, stalling or derailing the coachee from achieving goals that are set. In the following section responses to the question “What barriers/problems do you foresee?” are provided.

Barriers

When the respondents were asked to consider the barriers that they may face, a lack of funding/cash flow and the international economic markets were major concerns. One respondent talked about their enthusiasm to cater for the international market however, they were unsure of how to access it. Lack of skills and training were also listed. Time management and workload were also issues and recovering from natural disasters (two participants were recovering from two cyclones that had had major impacts on their business) and the actual amount of time that it takes a business to get over a natural disaster were major barriers for some. Lack of networking with others was also seen as a barrier as was attracting/marketing to new customers. It was interesting to note that some respondents mentioned networking as a barrier to entry into the tourism industry, reflecting on their lack of confidence in building and maintaining networks. Given the importance of networks to business and community sustainability this is an important factor that needs to be addressed.

Overall the main concerns with implementing a tourism aspect to their business were 1. financing it and 2. concerns about fluctuations within the external market and how this would ultimately impact on their business. Some barriers are completely out of the business owners’ control, for example the possibility of another Global Financial Crisis (GFC). However, they do need to have an understanding of what the markets are doing, what markets to target and what they are demanding and if their product or service is right for the market. They also need to understand what the impacts are going to be to their business and how they can form contingency plans for the goals that they have set for themselves if critical factors where not to go as planned.
Implications for Coaching in Tourism

As previously stated regional operators do not always understand the difficult challenges that may arise (Blackman, et al., 2004). The use of coaching workshops where the MSME operators were able to learn skills and were provided the opportunity to network and use one-on-one follow up coaching sessions was found to be an effective way for these participants to deal with some of the challenges of barriers faced in their businesses.

If coaching is to be effectively used to help develop regional MSME operators it is important to understand what an effective coaching process needs. The workshop provided a key platform as the start of the coaching process to encourage participants to focus on their values and goals and to encourage a positive attitude towards change. In this first phase tourism specific information was valuable in helping participants to formulate detailed goals and translate these into action plans. It also provided the participants an opportunity to develop networks with others from the local region and community connectedness. The one-on-one sessions then allowed for maintenance of change and further development. In the maintenance phase it was found that the coach's general skills and support had become more important than their technical expertise or sector experience. When participants were asked what was the most important skill they learned from their coaching experience it was the ability to break large goals down into smaller more achievable steps (a learned coaching technique), allowing the transfer of this skill into their workplace. The respondents who reported on this second phase also expressed a desire to engage in a wide range of development activities including more workshops. This suggests that an effective business development approach could be a cycle between group and individual work (Damon, 2007) such as that set out in Figure 1.

Figure 1: Spiral of coaching
All participants at the workshop were self-selected, they had the motivation to attend and participate in a one day workshop with the understanding that they could learn new skills that could be transferred into the workplace to enhance their business. In the review phase coachees with internal motivation and those that have more experience seek to further their self development goals again striving to achieve or perform at a higher level (Presby Kodish, 2002). The coachees with more of an external motivation and less experience need to be motivated for further development with a stronger internal focus. The final step is to have the coachee implement the new behaviour in order to achieve a goal. After the review stage the coachee can start again at the establishment phase with new goals or priorities but functioning at a higher level.

Conclusions

For many regional MSMEs the importance of being able to diversify their business to the demand within their markets can be crucial to the success or failure of their business. Many are either sole proprietor businesses or family businesses. They tend to rely on one person to be the leader or champion of the business and this person can face the prospect of being isolated from important business support networks and have limited time and limited finances. Tourism can be seen as a way to bring in extra income to the business and provide job opportunities.

Coaching adds value to tourism businesses by providing the opportunity for MSMEs to interact with other operators through the exchange of ideas and a sense of place and pride in one’s community, and, therefore, contributing to the wellbeing of the MSME operator and the wider community. The skills learnt in the workshop allowed the participants to develop capacity within their businesses, those that completed the one on one sessions found that they had been able to better implement the learned knowledge into their daily work routines compared with those that completed the workshop only. This technique of follow up sessions with participants provided them the opportunity to continuously revisit their goals set in the workshop and adjust to the markets that influenced them. They were also more confident in developing their support networks. They were the epitome of the spiral of coaching – working towards one goal and as this was achieved they were able to start the coaching process again on a new goal but at a higher level; they were using the skills and knowledge gained to achieve their goals. This process is summed up nicely by one of the one-on-one coaching participants:

I look back on the sessions and the things I achieved – particularly those things I had been putting off for weeks and weeks because they seemed so enormous – only to find I have done them, they weren’t as bad as I thought they were going to be and the energy generated from the achievement moves you on to the next thing – I have known this for a long time, but got bogged down in the day to day
and thought I would never raise my head long enough to look at the vision I had for my future. Now it seems possible.

References


