Organizational Dynamics (2021) xxx, xxx–xxx

Available online at www.sciencedirect.com

ScienceDirect

journal homepage: www.elsevier.com/locate/orgdyn

How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company

Natalia Fey, Emma Nordbäck, Mats Ehrnrooth, Kirsi Mikkonen

KEYWORDS
Self-managing organization;
Well-being;
Peer coaching

Abstract Pressure is increasing on traditional organizations to transform by moving away from old hierarchical structures towards more self-management in order to respond to nimble and agile entrepreneurial ventures and start-ups. In order for organizations to succeed in such transformations we need to know more about how radically self-managing organizations function, and what makes employees thrive and struggle in such settings. In this paper, we delve into an innovative peer coaching system used by Nitor, a self-managing digital engineering company, which challenges the mainstream belief how profitable companies should be organized and managed. In our study we explore the key characteristics of this peer coaching system, the mechanisms through which it enables employee proactivity and well-being, the key organizational outcomes and the challenges of successfully implementing it. The study suggests that peer coaching is especially helpful in self-managing firms as it is able to replace some of the key roles that middle management plays in traditional organizations.
© 2021 The Authors. Published by Elsevier Inc. This is an open access article under the CC BY license (http://creativecommons.org/licenses/by/4.0/).

INTRODUCTION

> Most of us can't envision management practices that don't correspond to the norms of our own experience.
> Hamel, 2007

The roots of more flexible, adaptable, dynamic, and decentralized organizations run deep. The creation of such organizations is considered dependent on extensive self-management and the related ideas of collective, distributive, or emergent leadership. Presently, the idea of self-managing organizations is more relevant than ever, and 'getting rid of managers' seems to be a sticky notion whose time may have come. It strikes a chord with people's increasing considerations of meaningful work and the popular notion of agile. Research suggests that employees provided with radical autonomy become more engaged, proactive, and agile, enabling organizations to better and faster respond to changes in business environments. Self-managing organizations can be understood as taking McGregor's Theory Y more seriously than ever, building on its assumptions that employees are happy to work on their own initiative, accepting and seeking responsibility, and needing little guidance.

However, while employees may largely thrive under these assumptions, radical autonomy may also be demanding for some, with stress and disorientation representing its dark side. Thus, in pursuing increasing self-management, organizations are well advised to consider how this dark side can be avoided to fully benefit from the upsides. This advice is all the more topical because stressful and unhealthy workplaces are an increasing concern for organizations and societies. We

https://doi.org/10.1016/j.orgdyn.2021.100864
0090-2616/© 2021 The Authors. Published by Elsevier Inc. This is an open access article under the CC BY license (http://creativecommons.org/licenses/by/4.0/).

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864

know that burnout decreases performance, and in the US workplace-related stress is estimated to be the fifth biggest cause of death and to cost society US$ 300 billion per annum. The interesting and important question is thus what self-managing organizations can do to avoid or decrease stress-related effects, apart from the obvious: start hiring proactive and self-efficacious employees, offering less self-efficacious employees appropriate training, and perhaps, following Zappo's example, offering the latter attractive opportunities to leave the organization.

Another big question is how to transform traditional hierarchical organizations into more self-organized entities, which a number of recent consultancy reports considered a leading challenge. Clearly, to succeed in such transformations, organizations need to delve into processes and practices that transform the underlying operational system. Based on our research, we convey a compelling story about a self-managing organization that uses an innovative peer coaching system to foster employee well-being, defined as employees' overall satisfaction with their life and emotional experiences. The case company, Nitor, is a young yet award-winning Finnish digital engineering company that essentially runs without managers, and helps large Finnish and international companies digitalize their business processes. Nitor is listed in the Deloitte Technology Fast 50 and has racked up the best customer satisfaction scores in the history of IT in 2012—2018, as measured by Onway, an independent business analysis firm. In 2018 and 2019 respectively, Nitor was ranked second and third in the annual Europe's Best Workplaces™ survey by Great Place to Work®, and recognized in 2017—2019 as the best place to work in Finland.

As we will show, Nitor's peer coaching system replaces several functions that leaders fulfil in more traditional organizations. We begin by painting a picture of the landscape of self-organizing, employee well-being, and peer coaching. We then present the case company, the results of our empirical study, and their implications for practice.

SELF-MANAGEMENT, WELL-BEING, AND PEER COACHING

In many organizations, employees experience a high need for informational and emotional support, due to the fast pace of change and fewer available managers to act in a mentoring or guiding role. This need grows bigger when organizations move towards more radical forms of self-management. Today there is much anecdotal evidence of companies radically and systematically decentralizing authority throughout the organization. One example is the Dutch multinational bank ING, which has recently made a large-scale transition towards a self-managing model in order to be able to respond more quickly to changing customer requirements. Other companies, such as Whole Foods Market and Valve Corporation, have organized themselves in non-hierarchical ways to promote employee engagement and product development. These organizations are, in various ways, innovative followers of those with long-standing experience of self-management, collective leadership, and freedom, such as Morning Star, W.L. Gore, and Semco.

While research has shown that self-management is associated with improved employee well-being through greater internal control, increased self-efficacy, and reduced stress and anxiety, most of this research has been conducted in work environments where employees have formal leaders, i.e., someone to turn to that "has their back". Thus, there is a clear need to increase our understanding of well-being in radically self-managing organizations.

Whereas executive and managerial coaching have been actively applied in business organizations during the past two decades, peer coaching is only starting to gain traction. Currently, just some 7% of all organizations use peer coaching. The concept, originating in the field of education and directed at staff development, is usually characterized as a development process involving a coach and coachee of equal status, and aims to build or expand new skills and knowledge in the workplace. Peer coaching can take many forms, for instance reciprocal, unidirectional or group, and has to date mainly been used in educational and medical contexts.

The very few studies on peer coaching with a focus on well-being were also conducted in such settings, and have resulted in mixed findings — with some research pointing to its positive impact on individual well-being and some showing little impact. The scarce previous research on peer coaching in business contexts, all conducted in more traditional hierarchical organizations and none with an explicit focus on employee well-being, suggests several positive outcomes: peer coaching increases personal development and learning, contributes to employees' work satisfaction and leadership development, and accelerates cultural change, organizational effectiveness, and growth. Research is also scarce, and has produced mixed results, on the relative merits of peer coaching and external coaching. We refer the reader to the Selected Bibliography at the end of this paper for relevant literature on peer coaching.

While peer coaching initiatives can clash with a hierarchical managerial culture, it would not only seem to be a more natural fit in non-hierarchical, self-organizing companies, but also potentially be more important in such settings. Specifically, since there is research suggesting that increased self-management may have paradoxical effects on individual well-being, it is important to shed light on whether and how peer coaching may fill the ensuing leadership void from a well-being perspective. Against this background, our study addresses the following three questions: 1) What are the core characteristics of the peer coaching system in Nitor? 2) What are the mechanisms through which the peer coaching system fosters employee well-being? 3) What are the organization-level benefits and challenges accompanying the peer coaching system?

THE CASE COMPANY

Nitor is a prominent Finnish digital engineering company practising "organizing without managers" and challenging the mainstream belief on how profitable companies should be managed. Founded in 2007, the company employs over 200 digital engineers in Finland and Sweden, and yielded revenues of 29 million euros in 2019. The founders of Nitor envisioned that if they take exceptionally good care of their customers and their employees, they could build a strong foundation for a successful company. Benchmarks with other companies suggest it is a successful recipe, since Nitor has

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864

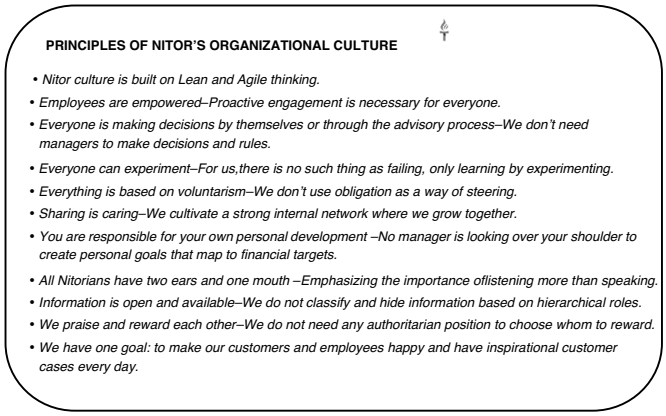


Figure 1 Principles of Nitor's Organizational Culture

consistently been ranked amongst the best places to work in Europe, and the best in Finland (see Introduction). Founder and ex-CEO Matti Vilmi's motto is "we build the company where we would like to retire."

The principles of Nitor's culture (presented in Fig. 1) were developed by employees through a bottom-up process, and are constantly updated through voluntary input. The company's organizational culture is built on Lean and Agile thinking. The CEO, whose core tasks include leadership and business development, business steering and key account sales, is the only formal and direct supervisor for each employee. No middle management exists. Although several employees carry a title, such as 'director' or 'VP', these do not reflect an internal hierarchical structure and are merely used to facilitate external communication with customers. Nitor aims to create and sustain a culture where employees are trusted, respected, and empowered with authority in every aspect of their work. Information is openly shared, and strategic and operational decisions are taken collectively. For instance, decisions on hiring, firing, and pay are taken collectively amongst employees. Depending on their own expertise and interests, employees choose in which decisions and projects to participate. As a Nitor employee put it: "*There's very little management in the company and everything's voluntary . . . like no one gets assigned to projects . . . Projects come in and then the interested people go to work on those projects . . .* " (Service designer, coachee A). There are multiple initiatives and practices in place at Nitor that enhance its non-hierarchical and self-organizing environment. The peer coaching system in the focus of our study is one of the supporting practices.

Nitor's employees work as IT professionals, service designers, and agile coaches for customer organizations, helping large Finnish and international companies digitalize their business processes. These employees normally operate in cross-functional teams together with other Nitorians, customer representatives, and consultants from other organizations. As the pace of work is very dynamic, many employees regularly (based on their voluntary sign-up) move between projects. Having a lot of freedom also brings challenges: *"Well, you can do whatever you want here. But you have a lot of responsibility . . . This is not for everyone. You need to be really aware of what you need, what you want, and then be active in pursuing those needs and wants, because no one will do it for you"* (Service designer, coachee A). Another employee expressed the freedom challenge as follows: *"Everybody says we don't need managers, but when you get rid of the managers you realize that, holy shit, we really need managers*" (Software developer, coach D).

These employee comments highlight the challenge for which Nitor's peer coaching system provides one important response. Not everyone knows all the time what to do, and being fully empowered and responsible for your own performance in a self-managing organization is not necessarily a preferred choice for everyone, all the time. This can often lead to stress. In McGregor's terms, rather than fitting either the assumptions of Theory X or Theory Y, employees are likely to have a range of preferences between these two extremes. In a self-managing organization, even employees more inclined towards Theory Y assumptions are likely to benefit from some form of organizational guidance and support. Nitor's peer coaching system was developed to substitute the continuous informational and relational support normally provided in traditional organizations by middle management, and to offer more clarity and structure in the ambiguous self-organizing environment. In fact, the coaching system originated from a need in the organization, with multiple employees wishing for coaching to help them maintain their well-being. A group of people, including two certified coaches at Nitor and other employees expressing an interest in the topic, began developing the company's peer coaching system. The system's primary goal was set to ensure employee well-being: *"We're very keen on everybody having a good situation in life in general, because if you feel good, if everything's balanced in your life, then there's a lot less risk of burning out"* (Digital designer, coachee H). This aim differentiates Nitor from the majority of organizations using peer coaching for professional development or to enhance the organization's financial performance and effectiveness. Nitor strongly believes the company's long-term performance is dependent on nurturing employee well-being.

The peer coaching system comprises a pool of voluntary coaches, available to all Nitor employees. In line with the self-managing organizational culture, joining and staying in the peer coaching system as a coach and/or coachee is entirely voluntary, and independent of an individual's role and experience. In order to attract potential coaches and

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864

coachees into the system, Nitor introduces its peer coaching to all new hires, as well as providing information about it on the company's intranet. There is a lot of variety in the background of both the coaches and coachees. The coachee can freely choose their coach from the pool of employees who have voluntarily signed up for the role. The guiding light in the choice of coach is usually that they have the competence, experience or characteristics that make them attractive to a particular coachee. For prospective coaches, Nitor arranges a two-day training session. Nitor believes that anyone can develop into a successful peer coach with some training. Staying true to the self-managing culture, this training educates coaches in applying a flexible approach where the coachee is in the driver's seat and leads the discussion. To support this aim, coaches are trained in core coaching skills such as active listening, establishing trust, being present, open communication, creating awareness, asking strong questions, and goal-setting. In addition, meet-ups are arranged on a regular basis to facilitate peer learning among coaches (voluntary for anyone to join, including coachees). The coaching sessions' content is however confidential to the coach-coachee pair. In addition, coaches are encouraged to ask for feedback and improvement suggestions from their coachees to enable additional learning. Finally, resources related to peer coaching are provided on the company's online collaborative platform Confluence. While the coaching system is well aligned with the self-managing culture, it also has its challenges, to which we return towards the end of the paper.

To better understand the functioning of Nitor's peer coaching system from the employees' perspective, we conducted 26 in-depth interviews with six coaches, thirteen coachees, four employees acting as both coach and coachee, and three who had not joined the system at all. The interviews uncovered the subjective experiences and perceived outcomes of peer coaching among these participants (For more information about applied methods, see the Appendix). At the time of the interviews in autumn 2018, Nitor had 31 coaches and 71 coachees among its 120 employees (some both coach and coachee). Around this time, the peer coaching system had been in place for one-and-a-half years, and more than 150 coaching sessions had taken place. The peer coaches had one to six coachees. The frequency of coaching sessions for the coachee ranged from a few per year to one every second week. We analyzed each interview inductively, where we identified common themes and insights. These research findings are presented below.

THE CORE CHARACTERISTICS OF THE PEER COACHING SYSTEM DRIVEN BY COACHEE NEEDS

The major driving force of the peer coaching system at Nitor is the coachee's needs. These are multidimensional and determine the nature of the coaching engagements. We identified two main characteristics of coaching engagements which impact the perceived effectiveness of peer coaching: the focus of coaching sessions (work, personal, holistic), and their function (e.g., nurturing employee well-being, providing emotional and informational support, and/or empowering employees). We now discuss these characteristics.

The Preferred Focus Areas in Peer Coaching at Nitor

The Nitor Mindplatter holistic coaching tool stresses the importance of employee well-being and guides the focus in coaching sessions (Fig. 2). It gradually and collaboratively evolves to suit Nitor's culture through the work of a voluntary and changing group of Nitor employees. At the time of our study, the tool comprised ten thematic areas highlighting both personal well-being and professional issues: nutrition, sleep time, focus time, non-focus time, connecting time, creativity time, happy time, physical time, customer time, and Nitor time. In the coaching sessions, employees are encouraged to rely on the Mindplatter to ensure that a wide range of well-being areas are initially covered and kept in mind, but they are free to choose other areas on which they prefer to focus. *"The starting point for the peer coach is to bring two ears that listen openly to the coachee"*, and at least initially to avoid any professional or personal goal-setting.

Our informants reported that the Nitor Mindplatter tool serves as a good starting point in the coaching sessions, helping to raise their awareness concerning their well-being, and to reflect on different areas and identify those on which to focus in the session. In addition, coachees described the tool as follows: *"The Mindplatter illustrates the wholeness of how everything is connected and all of those aspects are important for you to feel good"* (Digital designer, coachee H). After an initial discussion based on the Mindplatter tool, sessions tend to focus on one of three aspects: *personal focus*, *work focus*, or *holistic* focus. The group of employees choosing *personal focus* prefer to discuss mainly personal issues such as *physical well-being* (e.g., improving physical exercise, eating habits, and/or sleeping habits), *mental well-being* (e.g., work-life balance), and *personal development* (e.g., clarifying and achieving personal goals). A typical response from this group was: *"I wouldn't want to talk about career development or those business-specific things. I'd like to keep the business out of it"*(Digital designer, coachee H). The *work focus* employees prefer to stick to work-related themes such as *work performance and satisfaction* (e.g., how to be more proactive and engaged at work, and how to deal with challenges presented by customers and other situations), *professional development* (e.g., defining developmental career paths and learning new technical and soft skills), and *community belonging* (e.g., the coachee's social network). These employees are not interested in raising personal issues in the sessions, as they prefer to keep their work and personal life separate: *"I chose a coach who has senior architect skills, and have been working in this area for a long time, so in my situation it was more professional targets than personal"* (Software architect, coachee G). Employees with a *holistic focus* prefer to discuss both personal- and work-related topics in the peer coaching sessions, which was typically reflected as follows:

> It's absurd to think that you can only discuss the professional self in a coaching session because I'm here as a complete person, there's no abstract part of me that is the professional, [such that] only the professional comes to work and does the work. (Service designer, coachee A)

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864

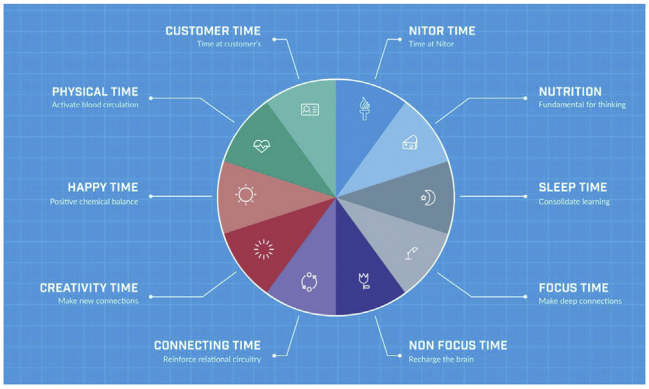


Figure 2 The Nitor Mindplatter Tool for Peer Coaching (adapted based on Rock et al., 2012)

> [It is] refreshing to see that they also mentioned the sleep there [in the Mindplatter tool]. Which is a good thing, because most of us don't sleep enough. Or rest enough. Yeah, so it's not, it should not be only about work, it should be about your life in total. (Senior software architect, coachee F)

Employees generally expressed a strong preference for one of the three focuses, holistic being the most common among coachees, followed by personal and work as summarized in Table 1. A strength of the peer coaching system is its flexibility to cater to these diverse preferences.

The Preferred Coaching Functions in Peer Coaching at Nitor

In addition to having different focus preferences in the coaching sessions, employees had different preferences as to the function of the sessions. Some employees were satisfied with their status quo and perceived the peer coaching sessions primarily as a "safety forum" for maintaining their current well-being. In contrast, others felt a real need to change and used the sessions to get help therein. Based on our interviews, we identified four functions accomplished by peer coaching at Nitor, that is, *scanning*, *validating*, *sharing*, and *activating* (see Table 2). These functions cut across the preferred focuses of peer coaching, such that for each focus area the sessions might accomplish one or several coaching functions. Thus, while the prior literature has in general described peer coaching as a developmental process, which aims to build and develop new skills and knowledge in the workplace, our findings suggest the functions of peer coaching may be more multifaceted. We now describe each of these functions.

Scanning

Coachees most common need at Nitor was to have someone to turn to, someone who would help them reflect on how things were going, and explore whether there were issues that required attention. Therein, the peer coaching sessions provided employees with a time and space to stop and reflect upon what is going on in their life. Those employees valued a coach who used techniques that raised the coachee's awareness of different aspects of their life and work, and their current state of well-being. As a result of this function, coachees commonly felt safer, "looked after", and more confident.

Validating

The second most common coachee need concerned validation, for recognition and affirmation of the coachee's thoughts or feelings. An employee in need of validation viewed a peer coach as "an ear" that listened to those thoughts and feelings on a regular basis, or as "a shoulder

Table 1 Preferred Focus in the Peer Coaching Sessions

Personal focus	Coachees in this group (*5 interviewed coachees*) showed a preference for focusing largely on personal issues in the peer coaching sessions, such as *physical well-being*, *mental well-being*, and *personal development*. This group of coachees was open to sharing their personal life experiences with the coach.
Work focus	Coachees in this small group (*2 interviewed coachees*) showed a preference for discussing mainly professional issues, such as *work performance and satisfaction*, *professional development*, and *community belonging*. They preferred to keep work life and personal life separate.
Holistic focus	The third group of coachees, the majority (*9 interviewed coachees*), preferred to focus on both personal and work issues during the peer coaching sessions.

Recommendation for implementing peer coaching:

- Awareness of these three preferred focus areas, driven by the coachee's individual needs/preferences and adjusting to those needs, is an important aspect facilitating the success of a peer coaching system. The ability of the coach to recognize and fulfil different coachee needs/preferences is an important success factor.

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864

Table 2 Functions of the Peer Coaching System that Cut Across the Preferred Focus Areas

Coaching function	Description of coaching function (for personal, work, or holistic focuses of peer coaching sessions)	Illustrative coachee quotes
Scanning	Regular check-ups on the employee's current situation in the personal and/or work domain(s)	*"It's very reassuring to know that at least somebody is kind of looking after you, because otherwise in this kind of flat hierarchy it's easy to get lost."*
Validating	Recognition and affirmation that the employee's feelings and thoughts are valid and relevant in the personal and/or work domain(s)	*"You get to kind of validate your feelings, that you are not wrong."*
Sharing	Sharing an external perspective, information, and knowledge with an employee in the personal and/or work domain(s)	*"We have a great team and great co-workers, but in the coaching sessions you can get help with your work from someone working a little bit outside your immediate work group."*
Activating	Empowering an employee to take action towards the achievement of goals in the personal and/or work domain(s)	*"In the sessions you actually agree on action points . . . and then you report . . . and you come back to action points that were agreed upon."*

Recommendation for implementing peer coaching:

- These four coaching functions are driven by individual needs/preferences, which is another important aspect of the peer coaching system. The ability of the coach to recognize and match the current coachee need/preference to a particular coaching function is thus vital for successful peer coaching.

to lean on", who offered emotional support. Those employees valued a coach who engaged in active listening, and did indeed help affirm the coachee's thoughts and feelings. As a result of this function, coachees commonly perceived that they gained peace of mind, a feeling of being socially connected, and of becoming emotionally recharged.

Sharing

The third coachee need concerned informational support, where the coach provides an external perspective on a specific topic or problematic situation. Those coachees valued coaches who shared their own experience, offered an additional informative perspective on the coachee's current work or life issues, and assisted the coachee in generating their own perspectives on the current situation. As a result of sharing, coachees commonly perceived that they gained new perspectives on their own challenges, and learned to better navigate the self-managing environment.

Activating

The final coachee need that we identified was "being activated". Coachees wanted the peer coaching sessions to facilitate and enhance their proactivity, to reach personal and/or professional goals. Those employees valued a coach who enabled change by helping them become empowered and in charge of their own life and work situations, commonly through defining and following up on concrete goals. As a result of this function, coachees felt they achieved concrete change. Essentially, through the activating function they learned to take responsibility for their own well-being, development and performance, essential criteria to thrive in the self-managing environment.

In sum, the same coaching focus, for example "*reducing stress at work*", could be pursued in different ways. The coachee might have the need to discover/assess current stressful issues in their work (*scanning*), or just to vent about a current stressful situation and get affirmation from the coach (*validating*), and/or perhaps to receive information related to the topic of the stress and how to handle it (*sharing*), and/or to take action to reduce the stress (*activating*). In practice, these four functions are not completely independent of each other and are rarely manifested alone in any particular coaching session. On the contrary, the realization of one need leads to the actualization of another, and several coaching functions can thus be in play in one coaching session. For example, scanning a situation, and validating a coachee's thoughts and feelings at the beginning of a session, could be followed up by the coach sharing an external perspective, and the coachee being activated through defining a clear goal and first immediate actions.

It is, however, essential for peer coaches to understand this nuanced and diverse range of coachee needs and preferences, in order to provide them with the support they need. In a few instances, the support provided by the coach was not aligned with coachee needs. For instance, a few employees who wished to become "activated" had a coach who placed more emphasis on just "scanning". Those employees felt disillusioned and unhappy with the coaching outcomes. In the majority of cases, however, the pairing was more successful, and peer coaching could act as a powerful resource for well-being. We now turn to explaining how peer coaching enhanced well-being at Nitor.

MULTIPLE WAYS PEER COACHING FOSTERS EMPLOYEE WELL-BEING

The peer coaches and coachees at Nitor experienced the peer coaching system as a powerful source of individual well-being. Our data point to three specific mechanisms of its effects, through: 1) an increase in coachee self-awareness and proactivity in the personal domain; 2) an increase in

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864

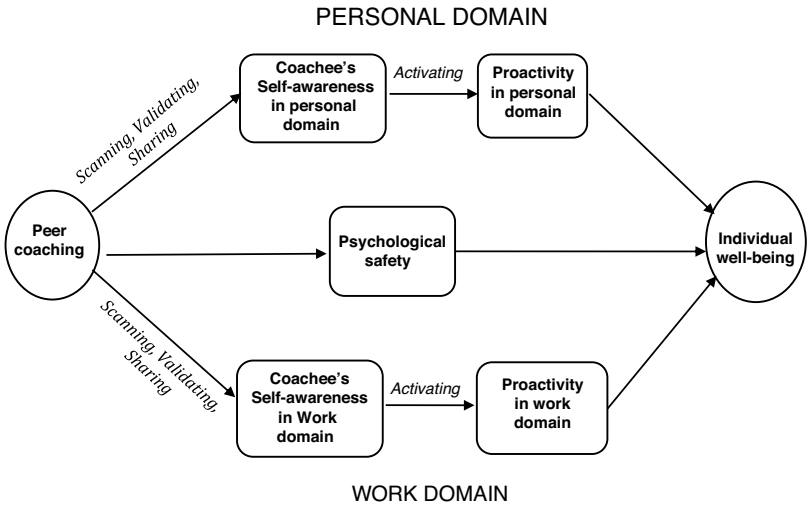


Figure 3 Enhanced Well-being Through Self-awareness, Proactivity, and Psychological Safety

coachee self-awareness and proactivity in the work domain; and 3) the perception of psychological safety. We now describe these three pathways to individual well-being at Nitor through peer coaching (See Fig. 3).

Nurturing Well-being through Self-Awareness and Proactivity in the Personal Domain

Employees who preferred to focus on the personal domain in peer coaching commonly experienced an increase in self-awareness in the domain. Increased self-awareness, defined as an accurate understanding of your strengths and weaknesses, reflected greater awareness and more clarity on the coachee's current state of well-being and extant challenges in the personal domain: such as unhealthy nutrition, non-sustainable sleeping routines, or a lack of physical exercise: The following quotes exemplify these outcomes: *"During that session I realized that I'm not paying enough attention to what I eat due to a lack of time with my busy schedule. But that made me more mindful . . . when rushing to the store to buy a meal"* (Digital designer, coachee H). Alternatively, some employees realized they were content with their life and satisfied with their level of well-being, which is also an important part of creating self-awareness among employees: *"I realized that even though I'm very busy I'm actually quite happy with my life situation in general"* (Digital designer, coachee H). Our findings indicate that three functions of peer coaching (scanning, validating, and sharing) facilitated this change in self-awareness.

Based on the above, and supported by the activation function of the peer coaching system, many coachees also took further steps to set and achieve goals in relation to their well-being, thus becoming more proactive in increasing and sustaining it. The activities undertaken included improving work-life balance, increasing quality time with family and significant ones, and allocating more time for self-care, such as going to the gym more frequently or biking to work: *"It's a very big difference, like, when you want to lose weight, if you tell someone about your goal, then it's different than if you just decide that yourself. It's kind of easier to forget the target, if you are alone"* (Software developer, coachee N). Thus, one common way to enhance employee well-being is through an increase in self-awareness and proactivity in the personal domain.

Nurturing Well-being through Self-Awareness and Proactivity in the Work Domain

Employees preferring to focus on the work domain in peer coaching commonly experienced an increase in self-awareness in that domain. This increased self-awareness concerned topics such as work performance, professional development needs and opportunities, and aspects of community belonging. For example, after assessing their own strengths and desired areas for growth, a coachee identified which work project it would be useful to join next, or what training to attend in order to continue their development in a certain professional area: *"It helped me assess whether I have enough time for career development . . . and to notice that okay, here's some room for improvement"* (Principal cloud architect, coachee B). Frequently, coaching sessions would focus on how to get things done and manage the workload in a self-organizing environment: *"It's definitely something you need to learn, how to keep the balance [manage workload] in this environment"* (Senior software architect, coachee M).

In several cases, increased self-awareness, in turn, led to the coachee utilizing the activation function of the peer coaching system to take concrete steps in an agreed direction, supported by the coach. For example, *"One thing is that it kind of pushed me to do this one certificate I'd been wanting to do for a year."* or *"I learned that I was waiting too much for a green light from somebody, for somebody else to make the decision, but then in the end it was up to me"* (Senior software architect, coachee F). Importantly, coaching engagements helped improve the skills needed to work in a self-managing environment. Thus, another way to enhance employee well-being through peer coaching is via increased self-awareness and proactivity in the work domain.

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864

Nurturing Well-being through Psychological Safety

Although the majority of employees were interested in using the peer coaching to clarify their own goals and becoming proactive in achieving them in the personal and/or work domain, not everyone was in need of transformation despite attending peer coaching. Not everyone wanted to become activated. For some, just walking into a session and walking out feeling safe and "looked after", was a source of increased psychological safety, in the sense of clarity and support for self-expression, and thereby of reduced stress and insecurity. Psychological safety therein offered an alternative pathway to well-being, as illustrated in Fig. 3 below. The following comment shows how peer coaching may nurture well-being through psychological safety: *"It's also nice to exchange opinions with other people even though it's not that constructive and doesn't lead to any big solution"* (Business operations specialist, coachee L). Coaches should be aware that activation is not on everyone's wish list, and employee well-being could be increased in multiple ways based on the coachee's current needs and preferences. Peer coaching at Nitor is, therefore, a dynamic employee well-being support system, where the functions of the peer coaching system evolve organically based on employees' current needs.

ORGANIZATION-LEVEL IMPACT OF PEER COACHING AT NITOR

Beyond the positive impact of peer coaching on individual employee well-being, our study allows us to elucidate organization level gains from peer coaching. Below we describe different organizational level impacts of peer coaching, namely a psychologically safe organizational climate, organizational belonging, organizational learning, and organizational empowerment. In addition, we discuss the role of peer coaching in substituting the middle management function. Our findings suggest that these organizational outcomes occur in two stages as a result of peer coaching engagements (see Fig. 4). In the first stage, a psychologically safe organizational climate, organizational belonging, and organizational learning are enabled through the interaction of the scanning, sharing and validating coaching functions. In the second, organizational empowerment is enabled through the peer coaching function of activating. We now discuss each of these outcomes.

Psychologically Safe Organizational Climate

One important outcome of peer coaching at the organizational level is a psychologically safe organizational climate. Our findings indicate that the coaching function of scanning serves as *an organizational safeguard mechanism*, in that employees feel they have someone to turn to, and who is looking after them. The function scans the environment through "check-ins" that can alert the appropriate actors should the situation slip out of control: *"Yes, it's a nice gesture from the company side that they allocate somebody who cares about you . . . . It's nice to have a person who is dedicated to looking after you. It's kind of a safety thing, a feeling of safety I get out of it the most"* (Senior software architect, coachee M). In addition, peer coaching may be especially beneficial for new employees: *"This psychological safety is especially helpful for new people at Nitor who aren't used to operating in this kind of structureless environment, where you can just do things and everything will be fine"* (Senior software architect, coachee M). As a result of scanning, someone at Nitor is continuously aware of the well-being of employees participating in the peer coaching system.

Organizational Belonging

A second outcome of peer coaching at the organizational level is organizational belonging. Scanning helps to create a psychologically safe organizational climate and in interaction with the validating coaching function it serves as a mechanism for *organizational belonging*. This increases feelings of connection and being part of a close community among employees and fulfills a relational need: *"Peer coaching helps to develop a stronger connection with a colleague . . . people that feel they are strongly connected to their company and where they have somebody to talk to are also a lot happier at the workplace"* (Software developer and agile coach, coach E) and *"It's easier to speak with people with whom you work daily . . . but then the peer coaching system builds the network on the top of that. So in that sense, it builds a strong, unstructured network within the company"* (Lean-agile coach, coach A). Organizational belonging was thus fostered through peer coaching by creating an atmosphere where people felt they could empathize with one another, that their thoughts and feelings were accepted, and where they felt included and could identify with their organization.

Organizational Learning

The third outcome is organizational learning. Our findings indicate that peer coaching sessions in which active listening, empathizing, and knowledge sharing take place, through the coaching functions of scanning, validating, and informing, result in individual learning by both the coachee and coach. As a Nitor coach put it: *"I thought it's*

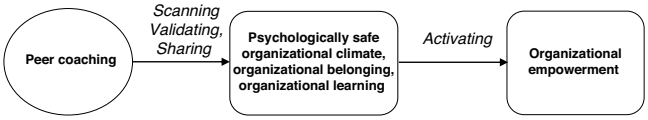


Figure 4 Organization-level Impact of Peer Coaching at Nitor

one-way learning when I provide support for my coachees, but then I discovered it's been a two-way learning process, because as I talk to my coachees, I get a better idea of what's going on" (Senior software architect, coach B). While it is important not to take organizational learning for granted, the psychologically safe climate and feelings of belonging fostered by the peer coaching also contribute to employees' willingness to share and learn from each other. Thus, even as the content of the peer coaching sessions is confidential and directly contributes only to knowledge exchange between the coach and coachee, the cumulative learnings of both actors in multiple coaching relationships increases knowledge sharing and learning also at the organizational level.

Organizational Empowerment

The final outcome is organizational empowerment. Our findings suggest that when the self-organizing environment is enriched with safety, trust, openness, sharing, and learning, peer coaching fosters organizational empowerment. The activation coaching function serves as an organizational empowerment mechanism, in that coached employees derive more clarity on their goals, gain more confidence to act, define action plans, and follow up on them. *"For the company we are going to have motivated people that want to improve themselves in a professional way"* (Software developer and agile coach, coach H). Peer coaching encourages and supports employees in taking charge of their own well-being, development, and performance. A high level of empowerment is crucial in self-managing organizations, which are primarily based on principles of self-leadership and initiative-taking on the part of employees.

The Peer Coaching System as a Substitute for Middle Management at Nitor

In traditional hierarchical organizations managers play many roles. One important role revolves around energizing, motivating, and mobilizing human resources. A key question concerns the extent to which, in self-managing organizations, the tasks performed in the above-mentioned roles can be executed by structuring the organization and its processes, essentially by substituting the formal leadership, through structures and systems including peer support.

The four organization-level outcomes of peer coaching at Nitor as discussed above — a psychologically safe organizational climate, organizational belonging, organizational learning, and organizational empowerment — indicate that the voluntary peer coaching system can substitute the formal leadership functions of traditional companies when it comes to creating well-being. The scanning function of the peer coaching system substitutes the safety and control function of formal leadership, the validating function its relational function, the sharing function leadership's informational function, and the activating function its empowering function. Indeed, as a Nitor employee put it: *"This system makes sure that we are not suffering from the side effects of not having managers. Also it's a sign, an indication, from the company side that we do value employee well-being"* (People operations, coach I). As Nitor grows and matures, it continues to explore the peer coaching system's potential and scalability with one goal firmly in mind: *"Our aim is not to start managing people, because if we do they become manageable, showing less entrepreneurial spirit, and taking fewer initiatives"* (Lean-agile coach, coach A). Hence, the aim of the peer coaching is not to be a system of monitoring or managing people as Nitor is striving to stay flat and entrepreneurial in spite of its significant growth. Although we have, to date, mainly focused on the positive side of the peer coaching system at Nitor, we now highlight four challenges associated with peer coaching in self-managing organizations that are important to bear in mind.

CHALLENGES ACCOMPANYING THE PEER COACHING SYSTEM

Challenge #1: Allocating Time for Regular Peer Coaching

In contrast to executive coaching, where the coach's main responsibility is to deliver coaching to employees, peer coaching at Nitor is based on voluntary work. All the coaches operate as software developers, service designers, or architects, or act as agile coaches in a highly competitive and turbulent business environment aiming to provide cutting-edge solutions to demanding clients in the industry. Their projects leave limited time to spend on peer coaching sessions: *"Sometimes a project tends to tie the coach or coachee up pretty tightly, so the schedules are difficult to arrange"* (Software developer and agile coach, coach E). In addition, many of the employees work on long-term projects at customer sites, and, thus, peer coaches and coachees are often physically present in different locations. Partly to prioritize time for peer coaching, Nitor has introduced Friday as a "work at the office" day (before the Covid-19 pandemic arrived). Having a day where you normally do not have client meetings has helped in implementing the peer coaching system.

Challenge #2: Confidentiality vs. Transparency in the Coaching Process

Peer coaching sessions are confidential, meaning that only the coach and coachee know what happens behind closed doors. It is precisely this confidentiality that allows for a high level of trust and intimacy in the peer coaching relationships, a core condition for successful peer coaching. However, this same confidentiality makes it challenging to create organization-level awareness of employee well-being. As one solution to this, Nitor has been experimenting with collecting anonymous aggregate data from peer coaching interactions to better understand the overall well-being situation in the organization.

Challenge #3: Switching the Coach

Switching to another coach when the relationship is not working satisfactorily involves challenges in the form of perceived social costs for the coachee. While in executive coaching, switching the coach might be considered normal

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864

practice, in peer coaching at Nitor a coachee sometimes hesitates to request switching. This is due to the fear of damaging the coach's reputation and/or jeopardizing the relationship with a coach who may be a colleague working in the same organizational unit, and sometimes in the same project team. Thus, none of our interviewees had attempted to change their peer coach, even if the coaching process was sometimes not working especially well. To alleviate such challenges, Nitor is experimenting with assigning temporary coaches and rotating them once in a while through a process called "peer coach switching day".

Challenge #4: Agency in the Coaching Process

In self-managing organizations, there is an underlying expectation that everyone not only has the opportunity, but also the ability, to manage themselves. There is a strong expectation of individual agency. Nevertheless, employees at Nitor had varying expectations of how active the coach should be in activating change. One group of people viewed coaches as the peers they were, there to offer support and guidance, and facilitate change. Another group expected the coach to take action to solve problems or create goals for the coachee, thus viewing the coaching system as a substitute for top-down leadership, and the coach as their "stand-in" manager. It is important to understand the different agency expectations, as they may lead to dissatisfaction with coaching, where the coachee expects active guidance from the coach but it is not forthcoming. The following two comments exemplify the various perspectives of the role of coach vs. coachee in "getting things done": *"So I think the talking part has been most useful... I haven't been looking for it [solutions] because usually if I have a problem in my life or work I just solve it myself"* (An example of coachee agency from a senior software architect, coachee M). And *"In an organization like this the coach can maybe help you solve your problems, because it's not an organization where you need authority to get things done"* (An example of coach agency from a software architect, coachee G).

In general, one of the core coaching principles is that it is the coachee who has agency, not the coach. However, based on the empirical evidence from the Nitor case, we recommend that agency expectations need to be explicitly discussed and clarified at the start of each peer coaching collaboration. At the same time, it is important to keep the system flexible and driven largely by the needs of the coachee, which may change over time. To support the coaching process, Nitor has developed a system whereby the coach records information from the coaching session so that the coach and coachee can keep track of, and go back to discuss, the progress made (e.g., concerning any goals that have been defined).

CONCLUSIONS

We have delved into a self-managing organization, operating under radical Theory Y assumptions and realizing that many employees still need some form of hands-on guidance. This suggests interesting limitations to Theory Y, even in an organization that tries to hire self-efficacious employees, comfortable with autonomy and the ensuing responsibility. Our case study offers insights into the core characteristics of an innovative peer coaching system that, very much in line with the self-managing culture, serves the purpose of guiding employees and nurturing their well-being.

We have identified central aspects of this voluntary peer coaching, including coachees' preferred focus areas (holistic, personal, work), and the preferred functions of coaching (scanning, validating, sharing, activating). The study also points to multiple paths to employee well-being, through self-awareness and proactivity in personal and/or work domains, as well as through psychological safety, all facilitated by the peer coaching. Furthermore, we have highlighted some topical organization-level outcomes that also seem to be nurtured by peer coaching. These are a psychologically safe organizational climate, organizational belonging, organizational learning, and organizational empowerment. Finally, we identified tentative solutions to four challenges concerning the self-managing peer coaching system, including 1) allocating time for peer coaching, 2) the confidentiality of the coaching process, 3) switching coaches, and 4) agency in the coaching process.

There is an evolving paradigm shift within the field of leadership, in line with the romance of leadership theory, which suggests that we socially misconstrue the relevance of hierarchical person-centric leadership. Many practitioners and scholars alike now view leadership as a property of the collective. Self-management is an essential part of such collective leadership. To function effectively, both collective leadership and self-management need supporting organizational structures, practices, and systems. This study has demonstrated how peer coaching may function as one such system, filling the middle-management void. We posit that some form of peer coaching is a viable idea also for more traditional organizations that are moving towards increased self-management, but it is important to bear in mind the bottom-up, voluntary nature of the evolution of the studied peer coaching system. Interested organizations may do well to start small and simply nudge employees to engage with the system.

The present study contributes to the literature on self-managing organizations by providing evidence of a peer coaching system that helps employees thrive in the absence of managers. The study advances the literature on peer coaching in several specific ways. First, our findings are consistent with the limited previous research that has found peer coaching in traditional business settings to be positively related to personal and professional development and career learning, as well as organizational learning and leadership development. Second, there are very few extant studies on the relationship between peer coaching and well-being, all in educational and medical settings, and they have yielded mixed results. Thus, our study constitutes pioneering research on peer coaching's impact on employee well-being in business organizations, and in particular in self-managing organizations. Third, the studied peer coaching system suggests a supplementary view to existing dynamic stage-based models of peer coaching. Rather than prescribing the exact stages of the peer coaching process, it suggests a more flexible functional approach, grounded in coachees' needs, with only some general guidance on how to provide coaching

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864

that is attentive to the needs of the coachee. This is very much in line with the management philosophy and values of self-managing organizations.

All in all, we posit that peer coaching provides exciting opportunities for fostering employee proactivity and well-being in particular in self-managing organizations.

INFORMED CONSENT

Informed consent was obtained from all participants in the study.

DATA STATEMENT

Our data is unavailable to access as the research data is confidential.

FUNDING

The first author would like to thank the Marcus Wallenberg Foundation and the Academy of Finland (Grant 308843) for the financial support that made this research possible.

SELECTED BIBLIOGRAPHY

For prior research on self-management in organizations, see Foss, N.J., & Klein, P.G. (2014). Why managers still matter. *MIT Sloan Management Review*, 56 (1), 72-80; Hamel, G. (2007). The future of management. *Harvard Business Press*; Hamel, G. (2018). The end of bureaucracy. *Harvard Business Review,* November – December, 51-59; Hamel, G. (2011). First, let's fire all the managers. *Harvard Business Review,* December, 48-60.

For a discussion on self-managing organizations and the limits of less-hierarchical organizing, see Lee, M.Y. & Edmondson, A.C. (2017) Self-managing organizations: Exploring the limits of less-hierarchical organizing. *Research in Organizational Behavior*, 37, 35–58.

To learn more about the concept of self-leadership and its application in organizations see work of Manz, C. C., & Sims, H. P. Jr. (1980). Self-Management as a substitute for leadership: A social learning theory perspective. *Academy of Management Review*, 5(3), 361–368; Manz, C. C. (2015). Taking the self-leadership high road: Smooth surface or potholes ahead? *Academy of Management Perspectives*, 29 (1), 132–151; Stewart, G.L., Courtright, S.H., Manz, C.C. (2011). Self-Leadership: A Multilevel Review. *Journal of Management*, 37 (1), 185–222.

For research on the concept of shared leadership, see Sweeney, A., Clarke. N., & Higgs, M. (2019). Shared Leadership in Commercial Organizations: A Systematic Review of Definitions, Theoretical Frameworks and Organizational Outcomes. *International Journal of Management Reviews*, 21, 115–136; Denis, J.-L., Langley, A., & Sergi, V. (2012). Leadership in the plural. *Academy of Management Annals*, 6 (1), 211–283.

A helpful overview of McGregor's Theory Y's evolution and impact on management can be found in Sorensen, P., & Minahan, M. (2011). McGregor's legacy: the evolution and current application of Theory Y management. *Journal of Management History*, 17 (2), 178–192.

To learn more about research on well-being in organizations see, Anstiss, T., & Passmore, J. (2017). Well-being Coaching. In Cooper, C., & Leiter, M. (Eds.). *The Routledge Companion to Wellbeing at Work*, 237-247; Bakker, A. (2017) Strategic and proactive approaches to work engagement. *Organizational Dynamics*, 46, 67–75; Kossek, E. (2016). Managing work—life boundaries in the digital age. *Organizational Dynamics*, 45, 258–270; Seligman, M. (2011). *Flourish: A visionary new understanding of happiness and well-being*. New York: Free Press.

For those interested in reading more about prior conceptual and empirical research on peer coaching in organizational and other contexts see, Hagen, M., Bialek, T., & Peterson, S. (2017). The nature of peer coaching: Definitions, goals, processes and outcomes. *European Journal of Training & Development*, 41 (6), 540–558; Hunt, J., & Weintraub, J. (2007). *The coaching organization: a strategy for developing leaders*. Thousand Oaks, CA: Sage; Ladyshewsky, R. (2017). Peer coaching as a strategy to increase learning and development in organizational life – a perspective. *International Journal of Evidence Based Coaching and Mentoring*, 15 (1), 4–10; Parker, P., Hall, D., & Kram, K. (2008). Peer coaching: A relational process for accelerating career learning. *Academy of Management Learning & Education*, 7 (4), 487–503; Parker, P., Kram, K., & Hall, D. (2014). Peer coaching: An untapped resource for development. *Organizational Dynamics*, 43, 122–129.

To learn about empirical evidence on the relative merits of peer coaching and external coaching in educational settings see, Sue-Chan, C., & Latham, G. (2004). The relative effectiveness of external, peer, and self-coaches. *Applied Psychology: An International Review*, 53 (2), 260–278.

To learn about empirical evidence of peer coaching's impact on well-being in educational and medical settings, see. Short, E., Kinman, G., & Baker, S. (2010). Evaluating the impact of a peer coaching intervention on well-being amongst psychology undergraduate students. *International Coaching Psychology Review*, 5(1), 27–35; Spence, G., & Grant, A. (2007). Professional and peer life coaching and the enhancement of goal striving and well-being: An exploratory study. *The Journal of Positive Psychology*, 2(3), 185–194.

To learn more about the Mindplatter tool see, Rock, D., Siegel, D., Poelmans, S., & Payne, J. (2012). The Healthy Mind Platter. *The NeuroLeadership Journal*, 4, 1–23.

To learn more about qualitative research methodology applied in this study, see Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: notes on the Gioia methodology. *Organizational Research Methods*, 16(1), 15–31.

Acknowledgements

The authors wish to thank the Editor Dr. Gary Latham and the anonymous reviewers for constructive and helpful comments. The paper developed significantly based on their feedback. Thank you also to Professor Denise Saline and Dr. Raija Salomaa for their friendly reviews to early versions of the paper. Finally, the authors wish to thank the interview participants at Nitor who took part in the research and openly shared their experience.

Appendix 1 Methods

Our research team comprised academics and one practitioner (Senior Lean-Agile Coach from the case company, Nitor), with the shared aim of discovering how peer coaching might serve as a source of well-being in self-managing organizations. We began our research project by presenting the study at the monthly company-wide meeting at Nitor,

which was open to participation by all employees. Following this, 26 (21% of the company's personnel) employees volunteered to take part in the study. In selecting the participants, we ensured that we had employees in the roles of peer coach (N = 6), coachee (N = 13), acting as both (N = 4), and neither (i.e. people who had not joined the coaching system) (N = 3), in order to obtain a diverse sample representing different perspectives. The gender distribution in our sample was 21 male (81% of the sample) and 5 female (19%). The age distribution was as follows: 21—30 years old (12% of our sample), 31—40 (38%), 41—50 (46%), and 51—60 (4%).

Next, we conducted 26 semi-structured in-depth interviews (45—90 min long, 82 min on average). They were conducted by two members of our research team, in English, which is the primary working language at Nitor. The core interview protocol was designed to uncover the subjective experiences and perceived outcomes of peer coaching amongst the participants. The interview themes included: characteristics of the peer coaching system, individual and organizational outcomes, mechanisms to create well-being, challenges in peer coaching, and areas where the system could be improved. The interview questions differed in part for peer coaches, coachees, people in both roles, and people outside the coaching system, due to their different perspectives.

All the interviews were recorded and transcribed for analysis. Additional data sources included Nitor's company website and intranet documents, such as the principles of Nitor's organizational culture, materials on coaching from Nitor's online collaborative platform Confluence, and the Mindplatter tool. We analyzed our data inductively, first by applying open coding to identify initial first-order concepts, then by grouping them into second-order themes, and finally into aggregate dimensions, in line with Gioia, Corley, & Hamilton (2013). This data analysis allowed us to identify two main characteristics of coaching engagements impacting the perceived effectiveness of peer coaching. These comprised the focus of coaching sessions (aggregate dimension), namely work focus, personal focus, or holistic focus (second-order themes); and their function (aggregate dimension), namely scanning, validating, informing, and activating (second-order themes). The analysis also revealed a number of well-being mechanisms at the individual level, organizational level outcomes, and peer coaching system challenges.

Natalia Fey is a Doctoral Researcher at Hanken School of Economics, Finland, a certified organizational coach, and the founder of the company Multicultural Lab. Natalia conducts research on innovative approaches to developing leadership through coaching in the context of multinational and self-managing organizations. In her research, Natalia draws on 15 years of professional experience in intercultural trainings and coaching. Her previous work has been published in *Advances in Global Leadership*. E-mail: natalia.fey@hanken.fi. (Corresponding author).

Emma Nordbäck is an Assistant Professor in the Department of Management and Organization at Hanken School of Economics. The core of her research focuses on how to lead and design thriving collaborations for an empowered workforce, particularly in the context of globally distributed teams and virtual work, as well as in self-managing organizations. Her work has been published in journals from various disciplines, including *Journal of Management Information Systems, Journal of Organization Design, and Journal of Computer-Mediated Communication*. E-mail: emma.nordback@hanken.fi.

Mats Ehrnrooth is Professor at the Department of Management and Organization at Hanken School of Economics. His research focuses on the theory and practice of HRM, leadership, and organizational behavior from international, indigenous, cross-cultural, and various methodological perspectives. He has published in several prestigious academic journals including *Journal of Management Studies, Strategic Management Journal, Journal of International Business Studies, Human Resource Management, Human Resource Management Journal, and Journal of World Business*. E-mail: mats.ehrnrooth@hanken.fi.

Kirsi Mikkonen is a senior Lean - Agile coach at Nitor. Prior joining Nitor, Kirsi was a change driver at Ericsson R&D Finland where she successfully led Lean thinking transformation. Kirsi is now on a mission to turn company by company into Agile, increasing company profitability and creating a better working environments. She has practiced Lean & Agile thinking since 2008 and applies a neuroscientific approach both in her coaching work and when applying agile methods. She has published in the *Lean Management Journal*. E-mail: kirsi.mikkonen@nitor.com.

Please cite this article in press as: N. Fey, et al., How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company, Organ Dyn (2021), https://doi.org/10.1016/j.orgdyn.2021.100864