

Guide to Internal and External Coaching

Introduction

For those involved in purchasing coaching services, meeting both organisational and individual needs can be challenging. Having identified and agreed a strategic need for coaching in the organisation, a further range of choices arise as to how it is best sourced. There are essentially three options – external coaches only, internal coaches only, or a blend of both. This guide is written to help those involved in sourcing coaching with:

- key questions that should be answered in preparing for a general decision on building internal resource or a specific decision for a particular coaching assignment
- a framework to guide decision making
- specific factors to assess.

In addition the Guide may provide useful insights to the challenges posed for both internal and external coaches on coaching assignments.

Key areas to consider

Fundamental to the choice of coach is the nature of the coaching relationship. Effective coaching is based on trust, authenticity and the ability of the coach to act as a neutral observer. Coaching will be more effective when it recognises four key areas: the **individual**; the likely **coaching needs**; the **organisational context**; and **practicalities**. These areas will be critical in ensuring both a positive working relationship and the achievement of results, and we will consider them using the following examples.

- *A Chief Executive has agreed with her management team on a redirection of the business. This new strategy is crucial to the organisation's success in an increasingly competitive market. All members of the team agree that this is the right decision, but several lack the specific skills and experience required for the future. The CEO is seeking a coach to support the transition to the new strategy, including managing the possible exit or redeployment of business team members.*
- *A well respected and experienced manager in a manufacturing company wants a sounding board as he moves into an expanded and demanding new role. His strengths and enthusiasm are evident, but there will be real tests as he takes on the new role, particularly from colleagues who might have preferred a different organisation structure.*
- *A salaried partner in a law firm is being promoted to equity partnership, and recognises the demands this will bring. She is confident about her strengths but knows there are areas where she is untested. She would like reflective space to focus on being successful, both for herself and for the firm.*
- *A business consultant in a prestigious company has been working effectively in a client team leadership role for two years, but has lost his enthusiasm and energy. He is aware that this is already affecting his performance and knows that he must address the issue for the sake of himself, his team and the consultancy.*

Preparing for the decision

Each of these specific coaching cases demonstrates the potential complexity of a decision about coaching support. To help prepare for decisions on the provision of coaching resources it is useful to consider what is known about individuals to be coached, coaching needs and the organisational context, as well as practicalities.

- Who are the **individuals** to be coached (eg position in the organisation, role, time within the company, personal learning style, previous experience of coaching, need for familiarity or neutrality about the context, need for confidentiality)?

The CEO may find it preferable to work with an independent external coach rather than with someone internal who will inevitably report directly or through colleagues to the CEO and be familiar with senior team members. The law firm partner may welcome internal support because of familiarity with the working environment and experience of others making the same transition.

- What are likely **coaching needs** and what goals might be achieved through coaching (eg personal performance and motivation, working with others, issues deeply influential to the organisation's business success, needs requiring organisation knowledge / experience, needs requiring specific skills / knowledge / experience from the coach)?

The manufacturing manager may benefit from a coach with extensive company knowledge and experience of the other members of the team, so an internal coach may be a more supportive choice, unless the coach is seen to be aligned with other members of the team. The consultant's coaching need has implications for long-term employment with the company so he feel more secure and open with the neutrality and confidentiality of an external coach. The CEO may prefer a coach with extensive training and experience in leadership.

- What is the **organisational context** (eg power, politics, influence, level of trust among colleagues, respect for confidentiality, respect for others' skills)?

The CEO may feel unable to fully discuss the issues around senior team members with an internal coach, though this individual's detailed knowledge of the team and the business may be of value. An internal coach may use their valuable internal knowledge and experience to support the law firm partner while helping the organisation to learn more about common themes across such transitions.

- What are the **practicalities** (eg timing, costs, availability, ease of access, need to build organisational and individual knowledge, need for continued professional development and supervision)?

A framework to guide decisions

We recommend making the choice – to build an internal coaching resource, rely on external coaches, or arrange for a blend of the two – in a structured and considered way, using these questions as a guide:

- What are we seeking to achieve in our coaching approach overall?
- What are the implications of **individuals**, **coaching needs** and **organisational context** on our choice of internal or external coaches? (see the key areas above and, for a more detailed consideration of individual points, see the attached matrix on pages 3 to 5)
- What are the **practicalities**?
 - How important is cost in our decision?
 - What is our long-term commitment to coaching?
 - Who within the organisation is trained or interested in training as a coach?
 - What high-quality external coaching providers are available?
 - What are the time, cost, availability and access implications?
- What are the highest priorities for our organisation among these criteria for coaching in general? For the specific coaching assignments we are considering?
- In assessing against these high-priority criteria, how appropriate are internal coaches or external providers?
- What are the risks in taking each of these routes?
- What could be gained by combining internal and external coaching?

(If both internal and external coaches are available for an *individual* coaching assignment, use the four key areas for an initial decision, checking for any *rule-in* / *rule-out* issues, and consider offering a choice to the coaching client.)

If you choose to use internal coaches, how will the organisation train and support them?

- What high-quality coach training will be offered?
- How will supervision be provided (eg externally provided, peer-group supervision)?
- How will coaches continue their development (eg additional training, coaching communities)?
- How will coaches share learning about coaching and the organisation (eg action learning sets)?
- How will the results and benefits of coaching be assessed?

If you choose to use external coaches, please read the Alliance Guide to Selecting a Coach.

Specific factors to assess

There are a number of factors which may influence the decision whether to use internal or external coaches or a blend of both.

KEY AREA: INDIVIDUAL		
Factor to assess	Internal Coaches	External Coaches
Credibility If the coaching is at the most senior levels of an organisation, credibility is likely to be an issue.	Internal coaches may face personal challenges in coaching upwards and feel inhibited from coaching at their best.	Clients may be unwilling to be totally open with anyone not considered a peer, and therefore be more likely to address the real challenges with an external coach.
Safe environment	Some clients feel comfortable with internal coaches and are able to maintain a trusting and confidential relationship (supported by clear and firm contracting). When coaching is supported by initial review and assessment (eg through 360° interviews by the coach), there may be greater sensitivity, particularly if the coach has a reporting or close working relationship with those involved.	Others have reported that they are able to be more open with an external coach, as there is no emotional attachment to the relationship outside of the coaching relationship. The external coach does not risk being influenced by current working or reporting relationships, or by their previous knowledge of the client. In addition, the topic of the coaching assignment may be sensitive internally, and a client may be more willing to be open about challenges to someone who is not directly involved in the business.
Level of challenge	Knowledge of the business may enable an internal coach to challenge the client's assumptions. There is a danger however, that the internal coach misses some opportunities as they are blind to or accepting of the cultural norms.	External coaches are more readily able to challenge and test the <i>status quo</i> without fear of the consequences on their future roles and relationships. The quality of this challenge and ability to 'speak the unspoken' will often unearth unique insights for the client. However, this may be compromised by an external coach's need to maintain a relationship with the organisation and secure further coaching work.
Breaking down internal barriers	Coaching relationships involving internal coaches crossing organisational boundaries provide a unique opportunity to build a more connected organisation. However, the impact on the internal coach for future roles needs to be considered carefully.	

KEY AREA: COACHING NEED		
Factor to assess	Internal Coaches	External Coaches
Managing confidentiality	The nature of the issue may link with the internal coach's own working experience, risking transference or conflict of interest.	External coaches may not always see the coaching need in all its facets and complexity.
Link to other activities	An internal coach will be able to see opportunities for clients to further develop and build on their strengths within their organisation. They may be able to facilitate these opportunities by using their own internal networks and understanding of how the organisation works.	These opportunities are likely to be unknown to the external coach. However, the coach is likely to have an external network that may be of value to the client.

KEY AREA: ORGANISATIONAL CONTEXT		
Factor to assess	Internal Coaches	External Coaches
Knowledge of the organisation Understanding at two levels, cultural and systems, supports effective coaching, enabling the coach to challenge the client when making assumptions or filtering the facts.	Internal coaches are likely to understand the organisation more immediately but with their own filtering system and blind spots.	External coaches will need investigative and absorption time to understand organisation culture and systems but will bring a fresh and untainted view, drawing on their experience of a range of other organisations.
Breadth of coaching expertise and experience	Internal coaches bring a greater awareness and experience of the internal culture. By definition their coaching experience may be limited to working within their own organisation. They should still, however, develop a knowledge and understanding of the coaching market and literature.	As coaching is typically their sole focus, external coaches are likely to have a greater depth of coaching knowledge and expertise, developed across a range of organisations cultures, nature of systemic issues, coaching needs, and levels of clients. They should also be fully engaged in the coaching profession and familiar with the latest thinking and research in coaching.
Matching the organisation culture and style	Internal coaches, unless newly employed, will already function well within the organisation, naturally assuming a fit. However, there may be times when an internal coach may subconsciously collude with their client when considering how organisation culture affects performance.	To ensure an appropriate match when employing external coaches, their fit to the organisation should be part of the selection process. A feedback process should be agreed to ensure organisational learning for future assignments.
Assessing results The issue of measuring results applies whatever way the coaching is provided.	Internal coaches may have more opportunities to both identify true links between coaching and measurable results, and to observe or informally assess changes in behaviour following coaching interventions.	External coaches will often encourage results assessment as part of the contracting process. This may involve qualitative and quantitative reviews and will be built into the cost of the coaching contract.
Extending results to the organisation level There is a great opportunity to harness organisational feedback and learning from multiple coaches and coaching assignments.	The internal coach may find it hard to be objective about learning or may be too personally involved to have clear insights.	External coaches may provide particularly valuable insights as they are able to calibrate their view of the organisation against knowledge of their other organisational clients. They are able to offer an external perspective whilst maintaining client confidentiality. Self-awareness at an organisational level can significantly increase if such dialogue is encouraged, and more importantly, heard.
Accountability and responsibility	The client and internal coach may find it difficult to maintain clarity given the internal coach's depth of knowledge of the organisation and day-to-day role in implementation. The coach may become involved rather than maintaining the stance of an impartial observer. Clear contracting will be of value here.	In contracting the external coach can make explicit where accountability and responsibility lie, and will face fewer situations that challenge those boundaries.
Contracting Contracting – between coach and organisation and between coach and client – is a key way to articulate confidentiality safeguards, protection of quality, and expectation of results assessment.		Formal contracting is a predictable part of appointing external coaches, but may be more challenging for internal coaches to achieve.

KEY AREA: PRACTICALITIES		
Factor to assess	Internal Coaches	External Coaches
Costs While on the surface there may appear obvious cost advantages using internal resources, this may not be the case on a full cost analysis.	There may be considerable initial investment in developing internal resources as well as ongoing costs for continuing professional development (CPD) and supervision. Coaching time will also take away from the other activities normally undertaken by the internal resources, which must then be paid for externally, by recruiting additional people, or by reorganising work assignments. This may lead to a need to develop a cross-charging process, itself an administration cost.	With external coaches the costs are negotiable, agreed, fixed for contractual periods, and include CPD and supervision (unless required at a particular level or form or through a specified supervisor for the organisation). Competition and increasingly available professional coaching may also hold coaching fee levels for longer periods.
Access to coaching capability	Building internal resources takes time, so if the coaching requirement is immediate and internal resources are not fully trained or experienced enough, the choice of external coaches is expedient. Decisions on building full-time internal resource or as part of a wider role (eg HR, Learning and Development, managerial roles) show commitment to coaching as a valid intervention but require careful planning. Creating an internal coach ensures access over the time the resource stays within the organisation and in a role which supports time spent on coaching.	
Speed of entry Gaining appropriate organisation knowledge takes time and may influence the starting time and delivery of results of individual coaching assignments. The actual start time of assignments will be a consideration for both internal and external coaches, given the demands of current roles and commitments.		The first time an external coach is used in an organisation there will be additional steps in the process necessary to ensure the right match and sufficient knowledge. If the external coach is already known to, and familiar with, the organisation this is less of an issue.
Access to support for the coach	Unless there is a considerable internal coaching presence within the organisation, the internal coach may feel insufficiently supported or isolated. If the internal coach is the only resource, this support requirement will be another aspect of assessing time and cost.	Most external coaches have developed relationships to support their coaching practice, through formal supervision, peer review with colleagues and informal support from broader coaching networks.
Employee development	Developing a coaching capability to use internally gives people new skills and a new depth to their careers within an organisation. The benefits of these new skills manifest themselves not only during coaching, but in regular roles too.	

This guide has been produced by The Alliance, a group of experienced coaches. All Alliance coaches are graduates of The Business Coach™ programme from Meyler Campbell, accredited by the Worldwide Association of Business Coaches, and the Solicitors Regulation Authority.

Additional guides are available: *Guide to Being Coached*; *Guide to Selecting a Coach*; *Guide to Coaching Supervision*. For further information contact info@alliancecoaching.co.uk or call 020 7794 5841 (www.alliancecoaching.co.uk).

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