

When to Use Internal Versus External Coaches

Much has been written on the subject of executive coaching; describing what it is, what benefits result from it, when to use it, and how to measure its effectiveness. In most cases, these discussions focus on executive coaching provided by external consultants. Increasingly, however, organizations are turning to internal coaching. This unique form of the coaching practice warrants special attention as a new business practice with unique benefits and potential pitfalls.

The intent of this article is not to position either internal or external coaching as superior to the other. In internal and external coaching, the work as well as the background, credentials, and approach of the coaches can be identical. Our objective, therefore, is to highlight some of the situations that might warrant the use of one form over the other. We will also point out some unique challenges faced by internal coaches and offer suggestions for effectively overcoming them.

There are a number of situations in which external coaching would be a more effective approach to supporting an executive. These situations include supporting clients at the top of the organization, coaching when there is a culture of low trust, or where there is a poor expectation of success (i.e., when coaching is used as a last ditch effort to improve performance or when the organization looks to provide evidence that it is making a good-faith effort to address legal liabilities). In particular, external coaches are most appropriate when political neutrality, maximum objectivity and the highest levels of confidentiality are critical to the success of the coaching engagement. From a practical standpoint, external coaches are likely to provide a broader and deeper array of experience and other factors that influence fit between the coach and coachee in terms of personality, functional expertise, geography, or even age, gender or ethnic background for the organization to match to individual coaching needs. They also can provide filler to internal coaching capabilities, particularly when the need is short-term.

When to Use Internal Coaches

There are a number of situations, however, in which internal coaching might be preferred, including:

1. *Need for greater reliability and consistency in approach.* The title executive coach is not regulated, and as a result, training, credentials, and approach can vary widely. If an organization has a need for consistency and a need to ensure that the corporate mission, vision, and values are routinely incorporated into executive coaching programs, carefully selected internal coaches may be the preferred and certainly more cost effective option.
2. *Financial constraints.* The unfortunate realities of the current economy include an inability of organizations to invest in many areas of the business (particularly development) and a need to maintain extremely tight cost controls. When cost is a major consideration, internal coaching can be an appealing option for executive development. It is not uncommon for an external coaching arrangement for a company to cost twice as much as an internal coaching option for the same situation.
3. *Quicker, more efficient integration and system-level interventions.* Internal coaches have the opportunity to quickly identify and address needs for improved alignment within a specific management chain. Internal coaches are also uniquely equipped to help organizations work across organizational lines and break down silos, as they know many of the executive decision makers as well as their thinking and strategies for succeeding in the marketplace. Finally, internal coaches have a level of access to information about an organizations culture, politics, challenges, strengths, and values that often take months of research for an external coach to learn. Internal coaches, therefore, are able to provide more real-time feedback and to understand the complex contextual factors affecting the behavior of their executive clients, their teams, and internal as well as external customers.

Challenges Associated with Internal Coaching

While internal coaching can certainly offer some potential benefits to organizations, there are unique challenges that should also be considered. These challenges include:

1. *Role clarity and differentiation.* In the midst of the HR as business partner trend, HR professionals have increasing interest in playing a more active role in advising and coaching their internal clients. They want a seat at the table in business discussions and they as well as the organization often find it difficult to differentiate between their role and the role of an internal coach. Similarly, an internal coach may unwittingly provide counsel that normally should come from the HR business partner. This situation may result in organizations where the HR function does not have good credibility in the organization. It is important that the internal coach observe the proper organizational protocol in working with clients and not support actions of a client that undermine another part of the organization. The solution to this problem is to teach the client skills in confronting directly individuals who have responsibility for providing needed services.
2. *Accountability issues.* In some situations, executives are referred to coaching to address performance problems that would more appropriately be addressed by the executives immediate supervisor. The supervisors are often in senior executive roles and believe that performance management is something to be done only at lower levels of the organization. While they may prefer shifting accountability for performance problems to internal coach, it is essential that the supervising managers, even senior executives, stay involved as parties to the coaching contract.
3. *Maintaining confidentiality and information boundaries.* A natural challenge in executive coaching is to balance the needs of the immediate client (i.e., the executive) and the overall business. Doing so puts understandable pressures on any coach to carefully monitor what information is or is not shared in each coaching program. Because of their deep involvement in the organization and multiple client contacts, monitoring those information boundaries becomes even more challenging. Honesty and boundary setting are essential to contracting sessions with potential internal clients.

In sum, when to use internal versus external coaches can be best determined by a number of situations and constraints, including the importance of political neutrality and objectivity in the coaching effort, the importance of high confidentiality, internal integration with other organizational programs, and cost constraints of the organization. In reality, external coaches likely are most effective at higher levels in the organization or when there is a culture of low trust whereas internal coaches may be a viable and cost-effective option at the middle level as part of an organizations management development program. For more information or to find coaches that might be right for your needs, please look at the Consultant Locator Service on this website: www.siop.org.

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