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CASE STUDY:

THE DEVELOPMENT OF INTERNAL COACHING IN THE BIG FOUR ACCOUNTING FIRMS

Written by Clive Mann
Managing Director of Ridler & Co
and Editor of the Ridler Report

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Introduction
by Clive Mann, author of the case study



Besides being an executive coaching practice, Ridler & Co has been researching trends in the use of executive coaching in large organisations since 2007, through the Ridler Report.

During the course of the Ridler Report research we found that the Big Four accounting firms in the UK (the 'Big Four'), namely Deloitte, EY, KPMG and PwC, have all developed their internal coaching into particularly sophisticated functions where the credibility of internal coaching has become extremely well established.

I felt that many organisations who, according to data in the 2013 Ridler Report, are considering increasing their use of internal coaching, would find a case study useful, which profiles the Big Four's success in establishing internal coaching functions – and the Big Four very kindly agreed to share in detail their approaches.

In addition it seems to me that there is a lot in this case study which would be relevant for organisations setting up any kind of coaching infrastructure.

The case study profiles the following aspects of the Big Four's approaches to internal coaching:

- The key drivers of the Big Four's emphasis on internal provision of coaching
- The benefits of their internal provision of coaching
- How internal coaching works in practice in the Big Four firms, including the similarities and differences in their approaches
- External coaching's place within a predominantly internal model
- Prospective future developments in the Big Four's use of internal coaching
- Advice to organisations considering increasing their use of internal coaching, based on the Big Four's experience

I very much enjoyed working with the Big Four on this case study. I hope you find it useful and insightful.



Clive Mann
Managing Director, Ridler & Co

Ridler & Co is a senior level executive coaching practice, based in central London, working with CEOs, board members, senior leaders and their teams.

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Background to the case study

Ridler & Co has been researching strategic trends in the use of executive coaching in large organisations since 2007. This research has resulted in five editions of the internationally renowned 'Ridler Report', published by the executive coaching practice Ridler & Co. The Ridler Report is distinctive (perhaps unique) in that it uses data exclusively from large organisational users of coaching.

The most recent Ridler Report was released in 2013 and was the product of a collaboration between Ridler & Co and the European Mentoring and Coaching Council UK, one of the leading professional coaching bodies. The research for the 2013 report covered, among other things, coach selection, evaluation of coaching, development of coaching culture and internal coaching.

One of the most striking findings of the 2013 Ridler Report was the high level of interest of large organisations in the use of internal coaching. 79% of the 145 respondents to the 2013 Ridler Report questionnaire expected to see an increase in internal coaching in the next three years, of which 39% expected a large increase.

Internal coaching will be explored further as one of the key research themes of the next Ridler Report, to be published in 2015.

In the research for the internal coaching sections of the 2013 and prior Ridler Reports it became clear that the Big Four in the UK have all developed their internal coaching into sophisticated and credible functions. Their employment of highly experienced full-time internal coaches, whose coaching clients include some of the most senior people in their firms, has resulted in the experience of being coached by an internal coach becoming comparable to having an external coach.

'At PwC we have had an internal coaching team in place for the last twenty years. Our people are used to being coached internally – it feels natural to them and the internal model also enhances our coaching culture.'

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All of the Big Four firms indicated in their 2013 Ridler Report questionnaires that they expect an increase in internal coaching in the next three years, with two out of four expecting a large increase.

The drivers of the anticipated increase in internal coaching include internal coaches' deep understanding of their organisation's business context / political environment, the contribution that internal coaching makes to the organisation's coaching culture and the relative value for money of internal versus external coaching in the context of the increasing demand for executive coaching.

While 76% of the respondents to the 2013 Ridler Report questionnaire believed external coaching to be a 'safer space' than internal coaching for individuals to discuss sensitive issues, the Big Four's experience of using internal coaches challenged this perspective. The positive feedback and beneficial results which the Big Four report from their internal coaching

clients give powerful evidence that internal coaching is providing a high quality, cost-effective alternative to external coaching for senior individuals.

During a presentation in 2013 of the Ridler Report's findings to the EMCC's Professional Services Network, a group of large professional services organisations, the idea emerged for Clive Mann to write an extended case study featuring the Big Four's development of their internal coaching functions in the UK (all references to Deloitte, EY, KPMG and PwC in the case study relate to their UK firms), reflecting the many similarities in their approaches and also highlighting some of the differences.

Interestingly, despite their competition in the professional services marketplace the Big Four firms' internal coaches collaborate and share their approaches to coaching with each other, which made writing a case study, covering all Big Four firms, both possible and also a useful and enjoyable collective experience for all.

The author of the case study hopes and believes that many organisations who are considering increasing their use of internal coaching will find a case study useful, which documents the Big Four's considerable experience and profiles their success in establishing internal coaching functions.

For the purposes of this case study, 'internal coaching' is defined as a bespoke, professional, developmental intervention for senior and high potential individuals and teams, delivered by professional internal coaches, either working part-time or full-time as coaches. The wider practice of developing line managers as coaches, thereby fostering better quality conversations within organisations, while an important activity, is not the focus of this case study – neither is the practice of mentoring.

Drivers of the internal provision of coaching

The Big Four have traditionally invested heavily in Learning & Development. They recruit and promote large numbers of high functioning, high performing people whose personal and professional development helps them and their firms to perform better.

There comes a point in the career progression of these individuals where the complexity of their responsibilities and the isolation inherent in their roles benefit from having a safe space for self-reflection, which is what coaching is designed to provide. Investing in the personal and professional development of their talented employees and partners, through coaching, helps the Big Four to retain their most valued individuals and maintain their competitive edge.

In complex professional partnerships the specific development needs of senior individuals cannot be met by standard training programmes because they do not fit everyone's needs. The Big Four's interest in coaching reflects this fact and the reality that individuals in their firms need to take more and more control of their own careers. Coaching can help them to work things out for themselves and the adaptability of coaching to individual needs makes it a particularly valued intervention.

Mutual support is ingrained in the partnership cultures of the Big Four. This helps coaching to flourish because partners want mechanisms in place, like executive coaching, to provide professional support where it is needed. In addition, the high functioning, high performing people employed by the Big Four are becoming more and more sophisticated in their understanding of executive coaching and are increasingly asking for it.

Ten years ago executive coaching in the Big Four was mainly provided by external coaches. The popularity and organisational benefits of coaching were leading to a rapidly increasing spend on external coaches. There was much less central control than now, of who was being coached, by whom and how much was being spent on coaching.

The level of spend on external coaching came into sharp focus during the last two recessions, especially the recession which started in 2008. For example, one Big Four firm cites a £2 million per annum spend on external coaching before the 2008 recession. The need to control these costs provided the impetus to expand the provision of internal coaching, following which the external coaching spend was reduced to less than £400,000 per annum. This level of percentage decrease in external coaching spend has been replicated in at least one of the other Big Four firms.

The demand for coaching within the Big Four over the last ten years has continued to grow. For a given budget, the relative cost-efficiency of internal coaching means coaching can be offered to a larger population than would be possible with external coaching.

The rationale for internal coaching, however, goes far beyond cost control, as the next section of this case study demonstrates.

Benefits of resourcing coaching internally

Having an internal coaching function contributes to the development of the Big Four firms' coaching cultures. The training and practice of internal coaches has an organisation-wide value as it develops in internal coaches and their clients a better understanding of how people are and how they behave. This developmental literacy helps individuals who come into contact with coaching to be more effective at managing their own teams and to build better client relationships, especially through better listening.

The impact of advanced internal coaching capability on their coaching cultures moves their firms away from a command and control culture towards more trusting relationships, which is illustrated by such things as more open and insightful career and performance management conversations. The result is that people feel they have permission to speak up and feel encouraged to challenge the status quo, without seeing this as career-limiting.

'Having people trained as internal coaches is useful outside the professional coaching environment. Through the influence of internal coaching, client-facing partners and staff learn to help their team members and clients to frame problems, facilitating solutions rather than adopting a traditional instructing style.'

Stevan Rolls, Human Resources Partner, Deloitte

An internal coaching function is a dedicated team of in-house coaching specialists which understands the business, culture and values of their firm more deeply than external coaches. For example, internal coaches' knowledge of what it means to be a partner is invaluable in helping prospective partners to understand the nature of the role they are about to take on, during partner selection processes. In addition, internal coaches' knowledge of how to navigate around their firms and obtain sponsorship and stakeholder 'buy-in' can be very useful when coaching new recruits hired from outside the firm.

The internal coaching function is a permanent fixture which means that support is available on a just-in-time basis in a number of different ways besides executive and team coaching, including training in interpersonal skills and coaching. This gives the rest of the firm valuable opportunities to interact with them when partners face challenging client and people situations, informally as well as during coaching assignments, in ways they could not do with external coaches. The wider firm can learn a huge amount from their ongoing relationships with internal coaches. The learning transfers back to their departments, subsequently cascading down into their client teams and beyond, impacting on how partners, directors and their teams work every day with each other and with their clients.

The partnership cultures of the Big Four are inherently supportive of internal coaching as an intervention. Maintenance of the confidentiality of their clients' material is so deeply ingrained in the work of Big Four professionals that when an internal coach offers a confidential space for personal and professional exploration their guarantee of confidentiality is accepted unhesitatingly. The cultural understanding and acceptance of

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confidentiality ensures that the firm would not ask an internal coach to disclose material a coaching client brought into a coaching session. This gives coaching clients confidence that their dialogue with an internal coach is taking place in the safest and most professional conditions.

The Big Four find that it is important to have the constant presence of an internal coaching function, from an employee engagement point of view. It is an indicator that the firm regards coaching as important, as a resource which senior individuals can draw on and as a centre of excellence through which the firm can build up a specialist in-house expertise.

Internal coaches' clients share views about the firm with them, putting them in a great position to feed back organisational themes and patterns to their firm's leadership, non-attributably hence without breaching individual confidentiality. Internal coaches' feedback of organisational themes is greatly valued by the Big Four and, for some of them, has a strong influence on how their firms are managed.

There is quantitative data which provides powerful evidence of the Big Four's return on investment in internal coaching. For example, EY has evaluated, one year on from their appointment, the performance of newly promoted partners who had been coached against those promoted in the prior year who had not had the benefit of coaching support. EY found a significant acceleration in the client revenues for newly promoted partners who had been coached through the transition.

EY also has quantitative data from their maternity coaching programme, demonstrating increased retention of partners and staff. 70% of returning mothers now retain the same performance rating or improve it one year after returning to work. In addition, the coaching has resulted in returning mothers and their line managers feeling empowered to have more enlightened and open career planning conversations.

How internal coaching works in practice

The Big Four apply the 70% : 20% : 10% rule to their learning and development strategies, 70% of development being on-the-job, 10% classroom learning and the other 20% linking the two. Internal coaching is considered an integral part of the 20% as it supports the transfer of learning from development programmes to workplace performance, taking the theory from the classroom and making it work in practice.

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The Big Four all emphasise the 'business-led' nature of their internal coaching offerings. Being business-led means that the investment in coaching responds to the needs of the business and has as its underlying purpose the delivery of value to the business. To ensure value is always added to the business there is an assessment of each individual request for coaching before the coaching assignment is approved and initiated. This assessment is carried out by a member of the internal coaching team who, through a dialogue with a senior sponsor from the service line, evaluates whether coaching is the best intervention to address the issue, whether the use of internal coaching resource is commercially justified and what kind of coach is needed.

The Big Four target internal coaching at a senior population, mainly directors and partners (albeit high performing senior managers can in some cases access internal coaching), especially those who are in the process of transitioning into director and partner roles. Internal coaching is frequently embedded in the director and partner promotion programmes. It is at transition points such as these - and also direct entrants into senior roles from outside the firm and partners approaching retirement – that coaching is seen to deliver the greatest value. Partners and directors are strongly encouraged to engage in coaching in these transitions. In EY, the take-up of internal coaching for partner promotions is above 90%. At Deloitte over 60% of directors select coaching as part of their transition package.

Internal coaching is also available for the wider partner populations, as the need arises.

Maternity coaching is another area where there is a strong investment by all Big Four firms. There is an interesting difference in policy between the firms in this area - PwC uses an external provider for maternity coaching, though it would consider bringing it in-house in future. KPMG provides maternity coaching internally but is considering using an external supplier. EY and Deloitte offer a blended model, using both internal and external coaching expertise.

All the Big Four firms employ slightly different combinations of full-time and part-time internal coaches. Part-time coaches coach in addition to

their main job, their main job typically being in HR / Learning and Development or in the service lines. For example, all of PwC's internal coaches have Human Capital or Learning and Development backgrounds whereas half of EY's part-time coaches' main jobs are in the service lines. KPMG also has internal coaches who come from the client-facing business.

In most Big Four firms there are relatively few Big Four partners who work as internal coaches, though PwC has around twenty partners now who act as internal coaches on a part-time basis and EY has three partners who are part-time coaches, out of twenty part-time coaches.

Part-time internal coaches are strongly motivated by the satisfaction of seeing the positive impact of their work on individuals and their firms. They also value coaching highly as a credential on their curriculum vitae.

Part-time internal coaches typically spend 10% to 20% of their time coaching. In order to stay registered as an internal coach they are required to have a minimum number of coaching clients. For example, PwC requires its part-time internal coaches to maintain at least five coaching clients at any one time.

Full-time internal coaches bring their initial professional coach training with them. Additionally their firms invest in ongoing supervision and continuing professional development for them.

The majority of the Big Four have coach training programmes for their part-time coaches. For example, Deloitte has a standard coach training of sixty hours' duration and a further advanced training of thirty hours. Both the standard and advanced trainings are provided by external training organisations and are aligned with the guidelines of leading professional coaching bodies.

EY supports one internal coach per year to get individual accreditation as a coach or one coach per year to train as a supervisor.

In PwC all internal coaches' (including the part-time ones') performance is evaluated in their annual performance review in which they are given credit for the coaching work they carry out.

'PwC has been operating an internal coaching model for so long that there is an acceptance within the firm that our internal coaches are in fact some of the best coaches out there.'

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KPMG employs seven full-time coaches, the most of all the Big Four, with a small (though expanding) group of part-time coaches. PwC has five full-time internal coaches.

In comparison with KPMG and PwC, EY and Deloitte rely more heavily on part-time internal coaches. EY has twenty and Deloitte has forty-eight part-time coaches. EY's one full-time internal coach combines heading up coaching across the firm with a portfolio of coaching clients. Deloitte's Head of Coaching also holds responsibility for Leadership Development, at the same time maintaining a portfolio of coaching clients.

The Big Four's internal coaching departments handle a remarkable num-

ber of coaching clients. Full-time internal coaches can have between thirty and forty internal coaching clients at any one time.

PwC has around three hundred and fifty director and partner coaching assignments per annum. EY has around three hundred per annum, including maternity coaching. Deloitte has over two hundred and fifty one-to-one coaching assignments per annum and has seen a significant rise in team coaching assignments over the last twelve months. KPMG's internal coaching team works with over four hundred people in any year ranging from aspiring directors to senior partners.

Roughly 80% of coaching assignments in KPMG are carried out by full-time internal coaches whereas two thirds of Deloitte's coaching assignments are delivered by part-time internal coaches. In EY 95% of partner coaching assignments are with internal coaches.

The structure and quality of the internal coaching offering is very comparable with external coaches. For example, an initial block of six coaching sessions would typically be commissioned and there would be a three-way meeting with the client's line manager at the start and end of the coaching assignment.

Internal coaching sessions are usually one and a half hours' long in the Big Four – longer than the average length of an internal coaching session across the population of organisations participating in the 2013 Ridler Report but shorter than the average length of an external coaching session.

The position of the internal coaching function in the firm's organisational structure varies by firm. PwC's internal coaching function reports into the central Human Capital function, led by a non-HR professional. Deloitte reports into Human Resources and EY reports into Talent. In KPMG internal coaching has traditionally been more decentralised, reporting into the individual lines of business (e.g. Audit, Tax, Advisory) which each have their own dedicated internal coaches. There are a variety of reasons for these differences but none of the Big Four firms emphasises the position of internal coaching in their firm's organisational structure as a prime determinant of its success. All firms offer their internal coaching function a measure of independence, wherever it sits in the organisation, to protect its integrity.

'Our internal coaches are positioned within the firm as being independent. This is a very strongly held position and coaching clients therefore see the coaches as being slightly outside the system. This supports the objectivity and confidentiality boundaries around the coaching conversations.'

Clare Allen, Senior Executive Coach, KPMG

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In all the Big Four firms the internal coaching function is responsible for:

- Managing the whole coaching team, including internal and external coaches, and keeping all the coaches connected with each other
- Selection of internal and external coaches
- Matching coaches with coaching clients

- Monitoring which coaches have available coaching capacity
- Assessing whether coaching is the right intervention at the point of referral
- Managing stakeholders in the firm
- Providing management information to the firm, for example, how many people are being coached at any one time, how much money is being spent on coaching and what kinds of issues are being handled through coaching
- Overseeing all aspects of the professional coaching infrastructure, including training and development of coaches, compliance with ethical code, complaints procedure and supervision
- Monitoring the quality of the internal and external coaches' work, through evaluation processes
- Coordinating the feedback to the business of organisational themes identified in coaching assignments
- Monitoring and controlling the spend on external coaches

Whereas ten years ago the use of coaches in the Big Four was fragmented and the spend relatively uncontrolled, the internal coaching function is now the first port of call when directors and partners wish to engage an executive coach - and costs are under control.

There is a strong focus on coaching supervision among all Big Four firms. Internal coaches hold in their heads a lot of knowledge about their coaching clients and the organisation to which they need to apply appropriate confidentiality boundaries. In addition, they can have their own personal reactions, as employees, to the material that comes up in coaching sessions, which need to be resolved. These are among the reasons why it is so crucial for internal coaches to be professionally supervised.

All Big Four firms use group supervision. In the majority of firms the more experienced full-time coaches (some of who are accredited supervisors) supervise the part-time coaches in groups and sometimes individually supervise / mentor them. The full-time coaches are generally supervised one-to-one and in groups by external supervisors and they also peer supervise each other.

The service lines are not cross-charged for internal coaching in any of the Big Four firms. Coaching is allocated to priority areas by the internal coaching functions and its cost is borne centrally (or, in KPMG's case, by the individual lines of business).

Robust coaching evaluation processes are in place in all Big Four firms. However none is relying on data from evaluations to justify continued investment in coaching as there exists an underlying belief in all firms that the investment in internal coaching provides excellent value.

External coaching's place in the Big Four

The great majority of coaching in the Big Four is delivered by internal coaches (as shown in the previous section). Partners are typically very comfortable working with an internal coach. For example, in KPMG over 80% of partners who have a coach use an internal coach. There is a firm belief that the level of professionalism of delivery of the Big Four's full-time internal coaches is on a par with experienced external coaches.

Nevertheless, external coaching is still used in all the Big Four firms. For example, Board members and the leadership teams of the main service lines would usually select an external coach. At this level the external coach's external perspective is highly valued. In addition, board members feel more comfortable sharing sensitive strategic and personal information with a coach who is outside their organisation.

The Big Four emphasise that it is not the seniority of Board members per se, nor their ability to access a budget for external coaching, that motivates their use of an external coach, but rather board members' need for an outside view from a coach who is bringing to the table their experience of coaching a variety of other leaders in other organisations and sectors. In addition, Board members are sometimes looking for a strong mentoring element in their coaches in which case they may select external coaches who have themselves been board members in prior careers. External coaches are also brought in where:

- It is a complex coaching assignment demanding a specialist psychological or other capability in the coach, which does not exist in-house.
- The internal coach is conflicted from working with a coaching client, for example because they are working with a close colleague of that individual.
- There are tensions between the coaching client (who may be considering resigning) and the firm.
- It is hard for the internal coach to set aside what they already know about the coaching client, before the start of a potential coaching assignment.
- Internal coaches have run out of capacity and need external coaches to deal with the volume of coaching assignments.
- The coaching client insists on working with an external coach (a preference which is becoming less and less common).

Internal and external coaches work closely together in all firms, sharing ideas, techniques and approaches with each other. For example, KPMG sees external coaches as 'friendly colleagues – part of our team'. In KPMG, team coaching assignments are frequently resourced by an internal coach and an external coach working in partnership, their different skills and perspectives being seen as complementary.

Deloitte makes greater use of external coaches than the other Big Four firms, for example using external coaches for client account team coaching and some partner coaching assignments. In both these situations

'The relationship with our external coaches is critical to our success. We host a coaches' forum every twelve months where the whole cadre of internal and external coaches come together, along with those who lead coaching in other (Deloitte) member firms. This presents the opportunity to connect, share knowledge, generate insight and tap into the systemic learning for our organisation.'

Claire Davey, Head of Coaching and Leadership Development, Deloitte

coaching clients are offered a choice of an internal or external coach, recognising the value some partners place on the external perspective.

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Prospective developments in the Big Four's use of internal coaching

The Big Four continue to look at opportunities to innovate in their use of internal coaching. Some examples of areas where internal coaching is seen as having further potential to add value include:

- Using coaching to help partners to build client relationships, especially developing their ability to understand their clients' needs through careful listening.
- Developing team coaching in client account teams. For example, Deloitte has used coaching successfully in their client teams, where there have been instances of coaching being a decisive factor in winning new client assignments.
- Continuing to professionalise internal coaching. For example, PwC is currently developing a set of global coaching standards, using the UK firm's practices as a benchmark for the rest of the world.
- Bringing together member firms with mature coaching cultures in other countries, with the UK firm, to drive consistency and best practice, as Deloitte has done, using Deloitte University in EMEA.
- Senior level coaching clients being recorded on camera talking about their experiences of being coached and the benefits they have received from coaching.
- Using internal coaching capability as part of their external client offering. The learning component is becoming more and more part of the service sold to clients. For example a PwC client team in Ireland is offering coaching as an integral part of one of their service offerings.
- Packaging internal coaching in other innovative ways. For example, KPMG is offering its general partner population one hour 'thinking sessions' with an internal coach, to reflect on ideas and dilemmas which would benefit from confidential exploration.
- At EY, the UK model is viewed as a centre of excellence. EY is now looking at leveraging this success across EMEIA, considering how they might move towards a full-time coaching model, as they have done in their Americas practice. The aim is to offer coaching consistently to three key populations: new partners, career and family (maternity) and people on mobility assignments.

Advice to organisations considering expanding their internal coaching provision

The Big Four have been developing their internal coaching functions for up to twenty years now. Some of the following key lessons learned during this time could help other organisations who are considering expanding their internal coaching provision:

1. The organisation's needs must drive the introduction of internal coaching. The starting point for coaching must be why the organisation wants to introduce coaching and how coaching will benefit the business, ensuring that it is about supporting people's performance in their jobs. The underlying rationale for making coaching available must be that people are part of the organisation and that coaching can improve their contribution to the organisation.
2. Clarity is needed about which populations are to be offered coaching. The Big Four's experience is that high performing and high potential people going through significant career transitions offer the greatest scope for coaching to support individuals and add value to the business. The organisation needs to be educated to nominate only the targeted groups of people for coaching.

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Liz Bingham, Managing Partner for Talent, EY

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3. Acceptance of coaching needs to start from the top. One of the best ways to encourage support from senior stakeholders is to give them a great experience of being coached by an internal coach. Having an influential senior leader say 'Have you tried coaching, it is working for me' is hugely persuasive – and not just for their direct reports. A cascade effect of interest in coaching can follow, across their extended team and beyond.

'If you allow some key stakeholders in the organisation to experience great coaching the interest in coaching can multiply. Some of the key stakeholders in EY who were initially sceptical about coaching have now become some of its most enthusiastic supporters.'

Nicki Hickson, Director of Coaching, UK & Ireland, EY

4. Enrolling a senior level sponsor to spread the message that coaching is for high performing, high functioning people will challenge any (mistaken) perception that coaching is for remedial purposes. In addition, senior level sponsorship from within the business will ensure that the introduction of coaching is not seen as a purely HR-led initiative, thereby widening its appeal.
5. Being prepared regularly to demonstrate outcomes from internal coaching assignments gives powerful evidence for the business case for coaching and justifies continued investment in coaching, especially

in the early stages of its introduction.

6. Testimonials from coaching clients which explain how internal coaching has helped them and delivered benefits to the organisation are useful in building the case for coaching. Collecting and sharing these testimonials with senior people in the organisation is a good way to build support for coaching.
7. An organisational culture predisposed towards helping people to develop and leaders to emerge will accelerate the organisational acceptance of coaching. If an organisational understanding of the rationale for coaching is not already in place it will take longer to create a culture in which internal coaching can thrive.
8. It is important that the organisation knows how to access coaching but at the same time care needs to be taken about promoting the coaching offering too freely. If demand builds too quickly the internal coaching function's capacity could quickly become over-stretched.
9. The professional infrastructure for internal coaching needs to be put in place at an early stage to support the quality of coaching - not least the provision of high quality supervision for internal coaches.
10. The quality of the internal coaches themselves is a principal determinant of the value which the organisation will receive from internal coaching. Internal coaches must be trained, qualified and experienced. Some important indicators of coach quality are a strong understanding of the organisation's activities, an ability to relate to and fit with the organisation's culture, a coaching or psychological / psychotherapeutic training and background (or experience which enables internal coaches to work in a psychologically informed way) and an openness to supervision.
11. Having a variety of coaches, with different backgrounds and coaching styles, is valuable in ensuring that the most suitable coach is available for each individual coaching client and situation.
12. The internal coaching function should not operate in isolation. Opportunities to embed coaching in the broader Learning and Development offering should be taken, for example integrating coaching in developmental programmes and as an option coming out of talent reviews.
13. Clarity is needed about the difference between coaching and mentoring. When there is a specific need to acquire a work-related skill mentoring is often a better solution than coaching.
14. The organisation needs to be clear about what coaching is *not* able to deliver, for example ensuring that it does not use coaching to perform functions that the business should be carrying out itself, such as using internal coaches to deliver difficult messages to individuals, which would be more appropriately transmitted by their managers.
15. Someone needs to take responsibility for leading internal coaching operationally, on a full-time basis, to guide its development and expansion. This person needs to be able to step away from coaching as

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an activity and take on wider line management responsibility for the internal coaching function.

16. Running internal coaching is hungry on administrative resource. Using the right technology can reduce the administrative strain. For example, EY has commissioned a specialist coaching system which manages all coaching and mentoring relationships, facilitating the matching of coaches and coaching clients, holding all coaches' and coaching clients' profiles and sending out evaluation forms automatically at the end of a coaching assignment. The cost of this system is covered many times over by the saving in administration time.
17. The Big Four have been working on their development of internal coaching for ten to twenty years. It takes many years to develop the capability to coach internally to a high level and build acceptance of internal coaching in the organisational culture. Progress in any organisation will most likely happen over a period of time - perhaps five years or more - and mistakes will happen along the way. It is unrealistic to expect internal coaching capability to be implemented quickly, through a conscious decision at a single point in time.

Conclusions

The Big Four have developed, over time, internal coaching as a cost-effective, highly professional, business-led approach to developing their senior level talent.

The presence of internal coaching functions also contributes strongly to the development of their coaching cultures, supporting more trusting and enlightened management practices and the development of deeper and more fruitful client relationships.

There appear to be few blocks to other professional services firms and organisations in other sectors following the Big Four's approach in expanding their internal coaching functions, should they wish to do so. It will be interesting to track, over time, whether organisations choose to place more emphasis on internal coaching in their coaching strategies, in the same way the Big Four have done.

Research methodology

This case study was researched and written by Clive Mann, Managing Director of the London-based senior level coaching practice, Ridler & Co, and Editor of the internationally reputed Ridler Report.

The case study is based on structured interviews with a senior sponsor of coaching and a senior internal coach in each Big Four firm - eight interviews in total. Interviews took place in late 2013 and the first half of 2014. The interviewees were Stevan Rolls and Claire Davey from Deloitte, Liz Bingham and Nicki Hickson from EY, Anna Purchas and Clare Allen from KPMG and Sarah Isted and Maria Symeon from PwC.

Ridler & Co would like to express its warm appreciation of the Big Four for participating in the research for the case study, especially the interviewees, for generously giving their time and valuable insights into internal coaching in their firms, for the benefit of other organisations considering increasing their use of internal coaching and the wider population of organisational users of coaching, coach training providers, academics, coaches and others.

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Legal disclaimer

Information in this report is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ridler & Co and all other organisations referred to in this case study accept no responsibility for any loss arising from any action taken or not taken by anyone using this material.

Footnote

Ridler & Co is a senior level executive coaching practice, based in central London, working with CEOs, board members, senior leaders and their teams.

Contributors to the Big Four Case Study



Nicki Hickson
Director of Coaching, UK and Ireland
EY



Claire Davey
Head of Coaching and Leadership Development
Deloitte



Maria Symeon
Global Coaching Leader
PwC



Clare Allen
Senior Executive Coach
KPMG

Ridler & Co

developing leaders, delivering results

Ridler & Co Limited, 42 Berkeley Square, London W1J 5AW
+44 (0)20 7112 6750 info@ridlerandco.com ridlerandco.com