

When a review showed across-the-board failings in how BT coached its executives, the company responded swiftly with a centralised coaching programme – and it's getting results.

OUTSIDE

By Colin Cottell

Last year, executive coaching at telecoms giant BT stood at the crossroads after an internal review revealed serious failings in the operation of its preferred supplier list.

For Andy Binns, BT's head of learning and development, the review made for unhappy reading. "There were a lot of external coaches doing business with BT, but we didn't know what impact coaching was having. The coaches were calling the tune," he says.

Among a host of other problems, the review identified difficulties in the selection of coaches, a lack of central control over who was being coached, and poor communication between coach and client.

In BT's Exact department, which employs 6,500 IT professionals, coaching also faced significant challenges, according to Natalie Holt, a chartered occupational psychologist, brought in by BT to do an audit.

Holt, a member of the British Psychological Society's special group in coaching psychology, discovered a department in which coaching's stock had plummeted after the HR executive, who had championed the training of 50 employees as coaches, left the company.

"The new leaders did not see the benefit of investing so heavily in internal coaches, and so their new-found capability wasn't exploited or used to develop the leadership capability of the organisation," she says.

Things were so bad that leadership coaches formed their own community to promote themselves. They even resorted to coaching in their own time. Many, though, simply left.

BT's response was to invite tenders from companies to manage its worldwide

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executive coaching programme. The contract was won by business psychologists YSC, whose coaching division Psynergy now runs BT's executive coaching service (ECS), responsible for coaching some 500 top executives worldwide.

Kevin Bright, director of Psynergy, outlines the main challenges: "BT wasn't as certain as it needed to be about what coaching was going on and the quality of that coaching.

"It also realised that there was a lot of time being spent across the business trying to resource and manage executive coaching, and there was a feeling that this time could be spent more profitably."

YSC developed a five-stage coaching model comprising requesting, matching, selecting, contracting and evaluating, to be delivered through its specially created coaching faculty.

According to Bright, the model "gives BT confidence in the quality of its executive coaching, and the assurance of knowing that the right coach is working with the right individual within a best practice framework, and that the coaching is being evaluated".

The ECS also plays a role in deciding whether external or internal coaching is appropriate, or whether another form of intervention would be better. "Is it a coaching need, or is it a performance management issue? That's a question we ask early on," says Phil Whichello, a manager in the ECS.

Bright says that a key priority is to ensure that all coaching activity is aligned with BT's business objectives, and that it fits in with BT's overall people strategy. »

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Learning points

- Coaches must work within the client's cultural and leadership framework, and link their activity with the client's business objectives.
- Coaching has got to work for all three stakeholders: the individual and their line manager, the client; and the executive coaches. Otherwise it doesn't work at all.
- Let coaches use different approaches, and methods to allow personal chemistry to come out so that coaches can play their best game.
- Managing coaching centrally means:
 - the business has more control over its investment and can predict outcomes more easily;
 - coaching clients are assured of a qualified, high-calibre coach, and can get the support of the coaching faculty.

“Coaching is all about performance, but you need to understand the context. What is the business trying to do? What are the business objectives for a leader in that role? Coaching needs to play directly to these,” he says.

The service is delivered through YSC's network of international offices. “YSC's brief is to supply local coaches who understand local management culture,” says Bright.

According to Binns, there are three advantages to the new centrally managed service:

- “the person being coached knows the coach being recommended is of good quality and is qualified, because we have screened them”;
- “the coach gets the support of the coaching faculty”;
- “the business gets control of its investment and more predictable outcomes”.

Internal solutions

Following her audit of internal coaching in BT's Exact IT department, Holt was asked to design a solution to meet BT's needs.

It was clear that this would be no easy task. “We have made significant investments in internal coaching capability in different areas of the business, and it's important that we are able to manage the quality of the individuals who play the roles of coach,” says Binns. “Because we employ them, we have the right to have confidence in them and control over them.”

Holt's solution was the creation of an internal coaching team of 35 leadership coaches. All



have been through an extensive training programme leading to the qualification of “certified leadership coach”.

There are a number of benefits to having an internal team, says Holt. These include lower cost than external coaches, and familiarity with BT's internal goals, challenges and business strategy. It also makes sense to use an existing pool of expertise in the company: such people are in a prime position to be agents of change, she argues.

An important feature is an online requesting and matching system, which provides clients with a choice of two coaches, including the opportunity for taster sessions.

Coaches work to a model of leadership based on Daniel Goleman's book, *The New Leader*. This identifies six leadership styles, while encouraging leaders to use them flexibly for maximum effectiveness.

A key aspect is rigorous evaluation, using both quantitative and qualitative methods. These include 360-degree feedback and employee satisfaction surveys. Use of the Kirkpatrick model allows the impact of coaching to be measured in terms of return on investment.

Lisa Wynn, a master certified coach with the International Coach Federation, who facilitates a monthly forum for internal coaching that BT participates in, comments: "BT has clearly gone to a lot of trouble looking at how you choose a good coach, and how you measure the benefits."

Holt says that because internal coaching had lost credibility within the department, the biggest challenge has been to raise its profile. "BT employees and senior management were

not fully aware of the capability and expertise of the coaches, and the tremendous value they could bring to individuals and organisational performance," she says.

She set about remedying this by running workshops to explore the connection between coaching and business improvement, and engaging line managers in goal setting.

Another priority was to get the support of HR. "This was key to ensuring that commitment to coaching was maintained, and that it wasn't seen as a diversion from the day job," she says.

Stepping up

Holt says that while executive coaching is flexible enough to cover a wide range of issues, certain topics tend to come up more than others. "One area that seems to be predominant is that of 'stepping up' to a new role," she says. "Many clients seek to build their confidence, clarify their direction and strategies and look at ways of building a great team around them."

The results are already starting to show, she says. These include a tripling in demand for executive coaching since the start of February, and a reduction in spending on external coaches. The coaches themselves are far more motivated, she says.

However, despite such hopeful signs, it is clear that BT's Binns continues to display a questioning attitude that looks certain to keep the coaches' feet firmly on the ground.

"Executive coaching is a tremendously useful tool and a great way to get leaders to focus on their own development, and to make them accountable for their choices," he says.

But in his view, it is clearly no panacea. "It's very important as one of our tools," Binns says. "But it depends on each individual leader. I don't see it as right for all people in all situations."

While he admits to being "encouraged" by the progress made to date, he says it's too early to be sure that the £1 million annual coaching budget is money well spent, and that executive coaching at BT has finally turned the corner.

"Ask me in 12 months' time," he says. "Many of our key leaders have coaching relationships. There is lots of anecdotal evidence. And BT is very supportive. But we don't have many facts." ■

A coach's tale

Joy Ferguson is an executive coach and a member of YSC's faculty. A former BT employee herself, most of her work is with senior managers, who either report directly to the board or a couple of levels below.

Ferguson says that a lot of her coaching has a common theme: "Often it's senior people who are technically good at what they do, but are less skilled in relationships, influencing, and managing people."

One employee was keen to progress and take on new challenges, but needed to develop his influencing skills at more senior levels, and to engage the whole of his team and get their voluntary buy-in for what he wanted to do.

Ferguson says that all coaching activity is focused on specific outcomes, which are established at the beginning of the process and linked to business objectives. "We look for specific shifts in attitude and behaviour. You can then track progress and the effect on their part of the business," she says.

For example, one senior manager became better able to negotiate a contract. Another typical outcome is a more effective management style.

