



# Contracting

Barry Johnson and Mandy Geal

What gets written down gets done.

*Learning to make contracts, seeing them through, changing them when appropriate, and moving on to the next problem and the next contract are signs of autonomy, signs of a winner.*  
Jongeward and James.<sup>1</sup>

## Introduction

First we shall explore contracting in the coaching world, and then we shall look at a practical application in a large software company.

Contracting, now that's a word that conjures up all sorts of images. For some it means legal and lawyers and documents and signatures and penalty clauses and – oh dear – that doesn't sound very joyful. For us it means something a little different. It's about an agreement between the client and the coach to a course of action, so that the client achieves what they want to achieve and the

coach has a clear starting point and knows the minimum goal. If the contract between coach and client is written down, it will at worst be a letter – not some impenetrable document with no punctuation. At the start the client may be crystal clear about what they *want*, but a little way into the coaching they might start to find out what they *need*. If so, the contract may be renegotiated.

So, why make a contract? Let us be clear. In coaching, the client and the coach relate to each other as equals and share the responsibility for the learning that the client wants (or needs). We know the coach has knowledge and skills the client does not have, but in status and as people they are equal. We hope that is not a radical thought.

We must admit that the prime purpose of this module is to

challenge some thinking in order to help make coaching more proficient and professional.

## Why have a contract?

If we have equal partners in a learning project and one is the client and the other is the coach, we perhaps need to decide what this learning project is about. The client will learn on the basis of what they want to learn, and the coach's role is to help the client achieve that outcome – so they make an agreement. What are the requirements of a coaching contract?

### Key learning points

- ◆ Why a contract is necessary.
- ◆ Four requirements for a contract.
- ◆ Steps towards making an effective contract.
- ◆ The organisation and individual as client.

## Case study – Who is the client?

Let's consider a practical example.

A basic question is 'Who is the client?' Coaching is carried out with a person, but that person is often an employee within an organisation where a decision has been taken at senior level to employ external coaches. In that case, the coach has two clients: the organisation (or sponsor) and the person to be coached.

### The company as client

We were invited to tender for a job in an international systems company that we had worked in before (see Issue 9, *Client-centred coaching*). The prospect was a coaching follow-up after an experiential learning event. The participants in the workshop were to be the people we would be coaching. So in reality we had two clients. Did this change the principles of the contract? No. Let us explore what happened, using the four principles.

In agreeing the contract with the company, all four elements were involved.

- 1 **Mutual consent.** The company and Learning Partners Ltd agreed the contract. This was based on the proposal made by Learning Partners against the specification written by the company client.
- 2 Within the mutual consent was the **valid consideration** that is an agreement about fees, expenses and coaching process and who is responsible for what within that.
- 3 This overlaps into **competency**. Who makes which decisions? Who does what administration? Through discussion, this was explored and agreed. The coach's

competency had been observed in action in the previous contract. So what about the competency of the individual clients? As the coaching was to follow an experiential learning event and people attending the learning event were members of a target population, they met or would meet the competency requirement for the coaching.

- 4 Finally, lawful objects or **ethical principles**. Large companies tend to employ lawyers, so the convoluted statements tend to creep in. Talking in ethical terms rather than bureaucratic administrative terms bypassed the formal documents and arrived at an agreed set of simple verbal ethical standards.

We now had a contract with the company to deliver what we had agreed to deliver.

### The individual participant as client

The relationship with the individual participants as clients was relatively easily arrived at. The individual participants at the learning event chose whom they wanted as their coach. They had seen the coaches in action as tutors, role-playing, handling issues, giving feedback, and so on. They individually decided who would be their coach. The client and selected coach then worked through a specific contract in the form of the goals outlined above.

Did this all work swimmingly? Well, no. The coaching contract often requires the client to give something up. As is often the case, a couple of the clients realised that they were unable to give up the required amount of time to the coaching, and this caused them to break their contract. The contract with them was renegotiated, and then it worked.



## References

- 1 Dorothy Jongeward and Muriel James, *Born to Win*, Addison-Wesley Publishing Company, 1971.
- 2 Claude Steiner, *Scripts People Live*, Grove Press, 1974.

**Mandy Geal** ran her own software company before co-founding Learning Partners, a people development consultancy, in 1995.

**Barry Johnson** started his career as an aircraft engineer before taking a degree in psychology and changing career direction to HR and training management. Barry and Mandy are Neuro Linguistic Programming master practitioners who use competencies in the design and running of assessment centres for development and selection, behavioural learning events and performance management. They also design and produce development guides for self-development and coaching.

- Telephone: +44 (0) 1276 29978
- E-mail: barryj@learningpartners.co.uk



## Agreement to a course of action to achieve the client's goals

### The four requirements

Dr Claude Steiner<sup>2</sup> derived from the legal aspects of contracts four requirements that applied to practitioner and client in Transactional Analysis practice. We think they apply equally to any human change practice.

#### ■ Mutual consent

This means that both parties agree to the contract. It has the effect that a third party cannot agree the contract on behalf of either the client or the coach. So, in an organisation, coaching is not a unilaterally imposed change process. Equally, neither the client nor the coach imposes conditions on the other. This leaves us in a negotiating position between the two parties.

#### ■ Valid consideration

You just knew we would get round to the reward, recompense or just plain payment the coach would receive for the application of their time and skill. When the coach is external to the organisation or hired by the client, this aspect is clear and subject to mutual agreement. We have noted that in organisations where the coach is, for instance, the manager of the client, this aspect is ignored. Well, should it be? If the parties are equals in the coaching contract and share the responsibility, and the client is receiving something from the coach, then shouldn't the coach in all fairness receive something from the client? If so, should they mutually agree what that is? And does it have to be tangible?

#### ■ Competency

It is usual for the coach to be trained and assessed for their competency in coaching. When the coaching is focused on specific professional development or skill development, the coach will be further assessed for competency in the professional or skills areas. But what of the client? Are they competent – in terms of current level of skills and knowledge, mental acuity and physical ability – to meet the requirements of the contract with coaching? It is all very well for the client to be highly motivated, even driven, but if they do not have what it takes, then the coaching will fail.

#### ■ Ethical principles

Lawyers talk about 'lawful objects'. That means any contract must meet the requirements of the law. More important to us is the ethical dimension. Professional bodies often lay these down. We in Learning Partners Ltd have a set of ethical standards. Some of the clauses are very simple: for example, 'We will coach only those people that agree to be coached.' Obvious? Yes, but let us be quite clear about the ethical standards we work to. We are not going to damage a client or fail to do that which we have agreed to do. So what are the ethical standards of

the manager coaching a member of staff? Let's agree them in the contract or have them referenced to company standards.

Is all this a bit much? Is a contract really necessary, even one that is not in the form of a legal document? These are questions we believe people in each environment should answer for themselves.

### The effective contract

We have outlined below the main elements that a coach would seek in an effective contract, so let's work through setting one up, step-by-step. This is not a two-minute job. It requires questioning, exploring, negotiating and recording.

#### ■ Find out the change the client wants to make

A contract goal must be phrased in positive words. Often a potential client will say what things they can't do or have problems with: for example, 'My presentations are awful, people lose interest'; or 'I have major difficulties in delegating'; or 'I just freeze when I am given objectives.' This is because they are responding to their emotions and telling you what it is like for them. It is relatively easy to translate these negatives into positives. The purpose of doing so is that it is much easier to visualise a positive situation and to feel good about it. How on earth is a client going to stop freezing when they achieve their objectives? What will they do

*'it is important that the client is making the change because it is something they, as adults, want'*

*'In coaching, the client and the coach relate to each other as equals and share the responsibility for the learning that the client wants'*

or feel instead? Now, that alternative is something that can be visualised.

#### ■ Check whether the desired change is possible

Having a positive outcome is not enough. The client must believe it is achievable, and you as the coach must also be confident you can get the client to achieve it. The starting point is to have the goal phrased in such a way that any observer can see when the client is meeting the goal. Let's consider 'I will be liked by everyone.' Positive? Yes. Attainable? Unlikely. 'I will be able to build rapport with other managers' is much more likely to be achievable. Why? It is bounded, it is skills based, and it is something that relies on the client. The only question is, can you as a coach deliver? This is, after all, a contract.

#### ■ How will you and your client know when the goal has been achieved?

You and the client need to agree this. Ask the client, 'When you have achieved the goal, what will you see happening? What will you hear others say? What will you feel when you are in that situation?' The second part is to ask the client, 'What will others see and hear from you? What might they think and feel about it?' It is also useful to ascertain who the 'others' are and name them. The people chosen by the client will often be significant to the client.

#### ■ Check with the client how much this change is for them and how much it is to please others

There is nothing wrong with making a change for others. Children do it all the time and it works. But it is important that the client is making the change because it is something they, as an adult, want. An important aspect is that the change is made for positive reasons that help the client to be where they want to be and help relationships with others.

#### ■ Identify the cost

Achieving the goal will always involve some cost for the client. At the surface level – the bit of the iceberg above the ocean – coaching costs the client time, effort, giving things up, money. Below the surface there are many other things, such as fear – fear of the change that may affect relationships, fear that it will not be successful, fear of the change itself. The client may not overtly recognise some of the subconscious elements, but it is important that the coach looks for signs of them. Making them overt and handling them may become part of the contract.

### Conclusion

We believe harmonious and smooth operation in any change situation such as coaching is aided by a contract that meets the principles outlined above, and that the coach's first role is coaching the client in contracting.