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Coaching: Navigating the Emerging Trends in Financial Services

Allison Akers Davis

In this article Davis explores the impact of economic meltdown on those who are leading financial institutions. What are the implications for those who are coaching finance leader? How does a coach assist those men and women who must influence change in today's emerging new economy while creating sustainable business practices? It is not the intention of this author to recommend specific actions for coaches and their leaders to take in this challenging environment. Rather, the author wishes to explore and provoke thought on these matters. This article is based on research, engagement results, direct experience and interviews with organization leaders who deal with the management of money, including banks, credit card companies, insurance companies, consumer finance companies, investment funds, and stock brokerages.

WALL STREET: COLLAPSE OF THE GOLDEN ERA INTO MELTDOWN AND OUT AGAIN

"Wall Street as we know it is *kaput*," wrote Robert J. Samuelson on Newsweek.com September 17, 2008, the year that news bloggers and media compared to the Great Depression. Financial organizations were thrust into the global spotlight; their business practices and leaders were under intense scrutiny and in crisis. Change came quickly, resulting in redirecting financial executives and their leadership teams to conduct business differently in order to increase credibility and consumer confidence. The implications of these changes on finance leaders encompass a need to manage their teams more effectively, establish a new vision for the organization, and set a new course to refocus and renew organization reputations. A coach can be a beneficial partner in this journey.

The unraveling of the finance sector: Getting off course

At the beginning of the decade, financial firms moved beyond their traditional roles of advisors and intermediaries and seemed to treat the client as mere source of profitability. By investing client or shareholder funds to purchase stocks, bonds and other securities in what are called "principal transactions" (Samuelson, 2008), the firms took inordinate risks which often resulted in a conflict of interest with their own clients. Investment banks leveraged borrowed money for short-term profits with what was perceived as low to non-existent risk. Successes were thought to be both theoretical and practical, "leading to a golden era for the profession" according to Paul Krugman in a September 8, 2009 *New York Times* Magazine article, "How Did Economists Get it so Wrong?" "The profession's blindness to the very possibility of catastrophic failures in the market economy" was based on belief systems and economic theories which held that free markets would by and large always hold or at least quickly recover their stability if shaken.

Finance leaders in turn adopted value systems built much more on incentives and risk taking than client care, believing the business model was unassailable. However, in reality, what now appears as an idealized vision of the economy could not be translated into a sustainable or stable business practice. According to Price Fishback's *New York Times* Freakonomics blog October 21, 2008, the financial boom from 2001 to 2006 was fueled by low interest rates and financial innovations. Add in Wall Street's annual bonuses, "reflecting the profits traders and managers earned in the year" trading and investing in risk (according to Samuelson, 2008) and the financial markets veered off course in 2008. The terms "greed" and "fear" have routinely been used when describing the origins of Wall Street's meltdown, and responsibility and blame was immediately attributed to the leaders running those businesses. Across the financial sector, the faith of shareholders and the public has been eroded due to government bailouts, investor losses and what seemed like a shocking level of continued bonus pool pay-outs. Throughout the last year, financial firms have had to significantly change their standard operating procedures (and sometimes their cultures) to address losses and create plans for future profitability and sustainable business practices.

In his book *Leadership in the Era of Economic Uncertainly*, Ram Charan (2009b, p. 7) writes, "Management challenges don't come any bigger than this. It's not just your business or industry that is in a downturn; the entire global economic system has been wounded." This statement directly impacts the way finance leaders operate and therefore need to be coached. Charan suggests a need to "adjust your most fundamental thoughts about what your business will look like and how it will be." Such changed behaviors are a business necessity for financial leaders. Coaching can enable the leader to explore changes in assumptions, expectations and perspectives, leading to deep behavior change. Many finance leaders who do not have a coaching support system may feel discouraged when faced with such complexity and business change. As a result, they may abandon change initiatives necessary to recover business profitability or change in the organization's culture and reputation.

In the first quarter of 2010, the economic indicators point to some market recovery eighteen months after the initial predictors of depression – just as many cautionary voices speak of the dangers of early complacency in the face of more fundamental global economic shifts than meet the eye. In this article, we will explore how coaching can help finance leaders chart a new course in these emergent times, to navigate the changing market while setting themselves up for success in 2010 and beyond. *The premise of this article: coaching can be a powerful tool to both engage and re-engage finance leaders in the new economy to lead powerful individual and organization change.*

COACHING AND THE ENGAGEMENT: NEW MOTIVATIONS FOR FINANCE LEADERS

A critical first step in coaching finance leaders is to understand their *level of engagement* in the organization pre- and post-economic meltdown. "Research confirms engagement leads to higher financial performance, higher customer satisfaction and higher employee retention" (Right Management, 2009c, p. 8).The coach must consider working with business leaders and sponsors to determine levels of leader engagement with the organization's values and mission prior to working on other development issues. Right Management, the talent and career management expert within Manpower, conducted an Organization Effectiveness Global Benchmarking Study (2009a) to explore engagement in today's organizations. Right Management's results across multiple industries provide evidence about the overall importance of leader engagement including:

- Engaged employees are approximately twice as likely to provide a positive customer experience;
- Engaged employees are nearly four times less likely to leave an organization;
- In general, a highly engaged workforce is 50% more productive than an unengaged workforce.

Why is exploring the engagement of financial leaders important to coaches now? According to Right Management (2009c, p. 4), "During recovery periods, engagement becomes even more crucial, as organizations ask fewer people to do more, creating increased risk that top-performing employees may leave as conditions improve." As stated by Price Fishback (2008), many financial executives successfully operated and were highly engaged with their organizations during a time of profitability and stable markets. Facing scrutiny from shareholders, media and the public may now quickly disengage finance leaders and affect their performance, ultimately negatively impacting the customer experience, organization profitability and the overall work environment.

Table 1 summaries Right Management's engagement survey results within financial services firms in 2005, when the economy was perceived as solid and the finance sector was in its "golden age." This table also contains data regarding the 2009 state of engagement post meltdown. The table details this comparison; key drivers are listed in order of impact on engagement. *Although there is little variance in overall engagement scores (45.5% v. 48.5%), the key drivers - i.e., what financial leaders need in order to stay engaged and motivated - vary significantly.*

Coaching can enable the leader to explore changes in assumptions, expectations and perspectives, leading to deep behavior change.

Table 1. Financial sector engagement and engagement drivers

Overall Engagement	2005	2009
	45.5%	48.5%
Key Drivers of Engagement	**2005**	**2009**
1	I have the equipment and materials I need to do my job well (75% Favorable)	Senior leaders value employees (58% Favorable)
2	When things go wrong the emphasis is on putting things right rather than placing blame (57%)	My organization is environmentally responsible (57%)
3	There is sufficient incentive to work hard at my organization (52%)	Communications at my organization are open and honest (51%)
4	Senior leaders value employees (52%)	My organization promotes employees who deserve it (48%)
5	My immediate manager is good at developing people (51%)	

What the new engagement drivers tell coaches of finance leaders

Interestingly enough, *total engagement scores* from 2005 to 2009 show little variance: 2009 even indicates 3% greater engagement among financial staff which may be confounding. What matters in this data is not the level of engagement, but the change in *what* engages and motivates financial people. As a coach, this data might help you guide sponsors and executives on strategies to best develop a coaching program that addresses motivation and engagement of finance leaders on the relevant post-meltdown drivers.

A quick comparison of the data helps to distinguish the drivers. In 2005, the data indicated finance leaders were motivated by having the tools and materials to do their job. These tools may represent the technology that is necessary to trade quickly and flexibly, responding nimbly to market moves, or policies allowing fast financial decisions. The second driver of engagement was the financial component in the form of bonuses and other incentives, long a cornerstone of the Wall Street and banking/financial services company cultures and a key motivator of financial leaders. Accountability to owning individual leadership decisions was the third driver, followed by management development and the importance of senior leaders valuing their people. In summary, during the "golden age," leaders needed materials, incentives and a culture that drove accountability and development to be engaged and motivated in their work.

Notably, 2009 data indicates that post-meltdown, financial people desire first a sense of equity, being valued by their organization, and open, honest communications, as well as a sense of social responsibility. Clearly, these data points are less focused on monetary gain and correlate directly to the research which indicated that, according to Charan (2009b), making people central to the organization's value chain can get your company "through the storm and emerging stronger on the other side."

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Outdated coaching models based on "golden era" constructs may not focus on the right drivers of engagement as a baseline for retaining and developing the necessary talent, and therefore subsequent coaching programs may not align with new business models or changing value systems. According to Right Management, "Failure to create an organization that can not only create and sustain alignment to business strategy, but also promote high levels of employee engagement will result in failure to execute and, at best, average business results" (2009c, p. 4). The paradox: from 2001 to 2006, finance leaders were primarily motivated by risk that promised exceptional returns; as the economy rebalances, the primary focus has transitioned to a sense of responsibility to re-establish the credibility of their organizations and reorient and re-engage their staff. In this space, coaches can make a significant impact on both leader behavior and contribution to business outcomes to ensure alignment of all parties.

A University of Wisconsin study highlighted in Right Management's survey found significant relationships between engagement and return on assets, productivity and customer service. There is a significant correlation linking drivers of engagement to finance leaders' productive participation in the organization. Companies which do not focus on the importance of what finance leaders value in their work life may potentially lose valuable time and money on-boarding and assimilating new talent, or retaining existing talent, thus losing a potential competitive edge for recovery and organization stability. This is a critical data point for financial organizations and their coaching partners, as they begin to reconstruct after the meltdown and better address the emerging cultural changes necessary to improve their financial viability and reputations. Finance leaders must be nimble to respond to changes in the market and organizational imperatives, stepping up to perform a variety of new roles internally while building customer facing relationships possibly eroded during the 2008 financial meltdown. Engagement drivers have changed; therefore leadership styles must be adapted.

According to a *HBR* Research Report, "The Realities of Executive Coaching" (Kaufmann & Coutu, 2009), coaches as a group now take on a variety of engagements that fall into two broad categories: fixing a problem, and enhancing the performance of valued executives. According to the *HBR* report, coaches no longer address "toxic leaders," rather they unleash top performance. The report (p. 7) describes that today, the top three reasons coaches are engaged by companies include:

- Develop high potentials or facilitate transition 48%
- Act as a sounding board 26%
- Address derailing behavior 12%

Engagement, Coaching and the Investment Banker

What factors disengage a finance leader? An interview with a Senior Vice President in a global bank may help clarify what it takes to either engage or de-motivate a finance leader. The engagement drivers this executive references in his own words and stories align with those identified in Right Management's "Organization Effectiveness Global Benchmarking Study" as important to financial executives, including: "promotes and values employees and communications."

When asked if receiving coaching had engaged him more fully in the organization, the executive first said, surprisingly, that he became less engaged in his organization… but more confident in himself as a financial professional. Coaching had apparently raised this executive's awareness of the importance of communication, and thus, ironically, highlighted the conflict he felt working in an organization that did not seem to prioritize communication during the time of change and economic upheaval. When asked what the organization did or didn't do to provide good communication, he pointed to his boss. His manager's involvement in the coaching engagement actually decreased this finance leader's engagement and eroded his trust in his boss. The reason: the leader's manager did not disclose the true nature of the coaching engagement's purpose. The executive described the problem this way: "coaching can't be an excuse for managers revealing to people what they can't tell them directly." What a powerful reminder that managers represent the organization and the way coaching can misfire when misused by management and/or unclearly contracted.

However, the same finance leader also indicated that the coaching resulted in better alignment with the organization's corporate values and mission, by understanding specific behaviors that make financial leaders successful. Overall, coaching resulted in this finance executive being more engaged as a team leader while also ultimately facilitating a better understanding of his boss' expectations. Prior to the coaching engagement, this leader spent "minutes a year on team development." Now he spends hours every week "getting out of the box, making leadership an urgent matter."

This finance leader's engagement drivers align with the importance and value of open, honest communications, which this leader did not experience consistently. Therefore, coaching benefited the leader, but - without a shift in his boss' leadership practices - may not necessarily impact this leader's retention after the post-economic meltdown. This leader stated that for the first time he took a recruiter's call. The research data from Right Management indicates 60% of employees intend to leave their firms in the next year and 27% are updating their resumes and networking. What conclusion can we draw? Coaches who understand how engagement integrates into leadership development will support the whole system around a client leader in order to help create the talent-attraction cultures necessary in the new financial organization's post-economic meltdown, as suggested by Ram Charan. In addition, a coach can be profoundly helpful to the leader's management when sensing a leader is not engaged, by suggesting an opportunity for a triad or open discussion meeting that includes the boss; this type of intervention can build accountability for leader retention on the part of the senior executive.

If employee engagement leads to greater commitment, satisfaction, pride and advocacy and results in greater levels of performance and profitability, employee attraction, increased customer satisfaction as well as greater motivation, what are the implications for coaching in financial organizations? To answer that question, it is important to understand current coaching practices and assess improvement opportunities.

As the economy rebalances, the primary focus has transitioned to a sense of responsibility to re-establish the credibility of their organizations and reorient and re-engage their staff.

CURRENT COACHING PRACTICES IN FINANCIAL SERVICE PROVIDER ORGANIZATIONS

Best practice anchors

The leaders of five organizations that deal with the management of money were interviewed for this article, including those affiliated with a bank, a credit card company, an insurance company, a consumer finance organization, and an investment fund. Overall, they report that coaching engagements have continued throughout the financial shake-up, although some organizations reduced the number of engagements significantly, depending on proposed content focus. Specifically, *performance management, succession planning, team leadership and several types of remedial behavioral issues* continue to be addressed. All leaders interviewed for this article reported coaching in financial services organizations required specific skills and a significant understanding of the unique financial services cultures.

According to one 60 year old global investment company interviewee, he and his colleagues expect their coaches to understand that there are significant differences in working in the financial services industry. The industry is more buttoned up and expects more credentialed coaches, who can speak the language of the business. As to the coaching process, when coaching was first embraced as a leadership development tool in the 1990's and early 2000's, it was not centralized; the organization used a diverse group of coaches and multiple coaching processes. Coaching sponsors demanded little control over engagements, often not requiring any form of return on investment. Coaching objectives were not well monitored and timeframes often not defined. Coaching was predominantly reserved for senior level financial executives. Realizing this was neither a cost-effective nor a sustainable model, this organization centralized coaching and standardized its protocol, while integrating it into a talent management strategy. Currently, coaching engagements focus on common management competencies, as well as succession planning and movement of people (on-boarding), training, and informal network building. In this financial services organization, coaching is now tracked for a measurable return on investment through observable behavior modification and its impact on performance. Having demonstrated its value during the early part of the decade in the 'golden era,' such programmatic discipline has allowed coaching not to be eliminated from budgets during this economic meltdown when it is so needed.

Coaching continues to be highly effective in aligning finance leaders with emerging goals and changes in business practices. According to Right Management, the trend is to ensure that value is delivered both to the leader (coachee) and to the organization. In 2003, a global bank, specializing in credit cards, home loans and investing, centralized their coaching process with the goal of integrating it into their talent management framework. The purpose of this organization's coaching program was to move high potentials to larger roles, on-board leaders, and address major change to ensure goals were achieved. This organization's biggest challenge was shifting the mindset of executives from using coaching for remedial purposes to viewing it as a tool to significantly impact business results through behavior change. Slowly, this bank's culture changed and mindsets were shifted as the standard protocols of 'proactive coaching' that were used for high potentials, on-boarding, and major change initiatives demonstrated an appreciative growth-oriented approach for each finance leader. This organization continued to use both internal and external coaches throughout the financial meltdown. As with many financial services organizations, a new CEO and Talent Development executive have come on board to lead the organization in the new economy, and their shared philosophy of leadership is setting the stage for a new philosophy of coaching.

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An executive from a 120 year old global property/casualty insurance company, operating in 20 countries, believes coaching keeps finance leaders at the top of their game and moves them out of their comfort zone. In the business environment that leaders face now and in the future, what matters more than ever are the results achieved as the finance leader breaks out of their comfort zone – the only way to stay ahead of the curve in times of rapid change and competitively position and transform the organization. Once out of the comfort zone, leaders can take the necessary risks to drive innovation and change the way business is conducted.

Organizational leaders who were interviewed for this article cited competency development, succession planning, leadership development and some 'fix it' situations as key drivers for coaching engagements in the finance workplace during the first part of the decade. Today's economic climate has added a new level of complexity to the role of the finance leader, now expected to improve organizational reputation, product and process innovation and resource management. Coaches must explore these new trends as well. They should consider what works now, as well as be alert to emerging themes and challenges post economic meltdown.

Coaching challenges and opportunities

Engaging their most talented finance leaders ("talent" in consultant/ HR terminology) to define new business practices, establish a credible vision, re-establish value systems, lead people and provide a trustworthy face to the media and public – these are critical challenges for finance organizations in the new economy. Regardless of the changes and scrutiny that financial institutions are facing, a key priority for CEOs and CFOs is to retain and engage talented finance leaders to participate in leading organizational transformation and change. A moral system must be established with checks and balances (Krugman, 2009) that can quickly rebuild credibility in financial institutions and potentially realign Wall Street actions to 'Main Street's' expectations about the social responsibility of financial organizations.

Once out of the comfort zone, leaders can take the necessary risks to drive innovation and change the way business is conducted.

Other labor-market trends indicate that, as Samuelson (2008) states, “talented and ambitious people may move from finance, where they were attracted by exorbitant pay, into more productive industries.” According to Charan (2009b), the biggest growth sectors will be healthcare, education, energy and transportation. Coaches must consider using their skills to guide individuals in such decisions. Those coaches who understand these value propositions can help not only organizations retain those who are most competent and engaged, but also help individual leaders make sense of the past and learn from its lessons with regard to their own career evolution.

Some thoughtful HR-OD organizations have centralized coaching programs, collecting and understanding key themes uncovered as a result of coaching in real time. These themes can point early to current pressures finance leaders are experiencing, thus giving business teams an opportunity to provide response and remedies. In addition, Human Resources leaders can encourage and equip their coaches to understand key market and business drivers and their organizational implications. In the post meltdown era nestled within the 21st century environment of rapid change, coaching has to help executives manage massive amounts of information and complexity in business, as well as multi-culturalism and environmental factors (Kaufman & Coutu, 2009). The intellectual acumen needed here challenges both coaches and leaders but more than likely will increase overall effectiveness of all parties. Once the coach is aligned with what the organization wants to accomplish, he or she can focus on the capabilities and behaviors the finance leader needs for his or her ultimate success.

Even prior to the meltdown, many financial services organizations used coaching as a leadership development tool. More than ever, the current challenge for leadership teams and coaches is to re-engage leaders with the organization’s future direction. According to Right Management’s (2009b) white paper, “Leader Coaching: A New Model to Accelerate Performance,” coaching has long established itself as an essential tool in creating more effective business leadership, developing a leader’s full potential. Interviews conducted for this article with the leaders of financial firms revealed the successful use of coaching during the 'golden age' Coaching is a tool that has worked in the past. Can it be of equal or greater utility and value to organizations in the present and future?

On October 19, 2009, the CEO of Goldman Sachs was quoted on NBC's "Today Show" as saying that investment bank cultures are primarily financial-incentive oriented. While he didn't extend this characterization to all financial disciplines (commercial bankers are typically viewed as more community-oriented), this should prompt an experienced coach to re-assess the true (and current) motivating factors for finance leaders – and for his or her client in particular. Is it possible that finance executives and their HR sponsors are sometimes out of touch with what motivates their people? What can a coach do to determine if there is a values conflict between senior executives and their rainmakers, star contributors and middle managers? Ultimately, what can a coach do to leverage what is currently happening in the financial services sector in conjunction with engagement research and CEO/ executive team observations? Finally, what can he or she do, to influence measurable change in an organization's overall approach toward its coaching program?

Is it possible that finance executives and their HR sponsors are sometimes out of touch with what motivates their people?

CHARTING THE COURSE: 2010 COACH STRATEGIES

Current and past best practices illustrated that, when managed with strategic intent and discipline, coaching is a powerful tool that enables finance leaders to learn from experience and make swift changes for the benefit of their people and the organization. According to coach Marshall Goldsmith (2007, p. 24), "Successful people have a unique distaste for feeling controlled or manipulated." Coaching can have a profound impact on increasing a finance leader's engagement by driving his or her ownership to the changing organization while taking control of his or her future. As Goldsmith (2007, p. 43) states,

> At the higher levels of organizational life, all the leading players are technically skilled. They are all smart. They're all up to date on the technical aspects of their job…that's why behavioral issues become so important to the upper rungs of the corporate ladder…people skills (or lack of them) become more pronounced the higher up you go [in the organization]… Leading people well can be a key differentiator in engaging, changing and motivating and building leader reputation.

Past coaching practices appeared to focus on organization outcomes—for example, succession planning, on-boarding, change initiatives and some 'fix it' situations. Building leadership competence in leading people will clearly set the direction for the next decade. Right Management (2009b, p. 3) notes the following: "Coaching has long established itself as an essential tool in creating more effective business leadership…over time, coaching has acquired more positive and developmental applications, evolving to…sharpening specific performance skills to developing an individual's full leadership potential."

Based on research for this article, interviews with coaches, visible trends in coaching and the feedback from finance leaders, there now seem to be six focus areas coaches might want to be sensitive to and explore – in particular as they support finance leaders charting a new course for their development post meltdown. "Coaching that takes fuller account of organizational context represents the next stage in the evolution of the art and science of coaching" (Right Management, 2009b, p. 5). Although the concepts are not new, these six content areas focus more on leading people and building a new, re-energized organization:

1. Assimilating new and promoted leaders
2. Charting a renewed leadership vision
3. Leading through values
4. Inspiring leadership
5. Changing and innovating
6. Building executive presence

1. Assimilating new and promoted leaders

The economic meltdown has required financial institutions to restructure, de-layer, improve processes and redefine leadership. Newly promoted, recently hired, expatriate or recently transferred finance leaders have an added challenge when leading organizations. These leaders must quickly learn a new business, know team members and what motivates them, and understand the expectations of senior leadership. In his book *The First 90 Days*, Michael Watkins (2003) says, "Failure in a new assignment can spell the end of a promising career." Many leaders who derail during this critical period do not recover; more importantly, many

Table 2. Coaching tool 1: Assimilating new and promoted leaders

- Learn the business and key performance measures.
- Understand what is expected in the new role.
- Build key relationships and networks essential for future success.
- Clarify short- and medium-term business and performance objectives.
- Enhance understanding of aspects of the company's business and culture.
- Provide support through feedback, coaching, and follow-up on the finance leader's ability to execute on the above points.
- Require the leader to set a 30/60/90 day plan complete with milestones and other key measures.

who do not derail still do not reach their full potential. Watkins (2008, p. 8) more recently observed, "Studies have found that more than 40-50 percent of senior outside hires fail to achieve desired results. Estimates of the direct and indirect costs to a company of a failed executive-level hire range as high as $2.7 million." A coach can help a finance leader in a new role get quickly up to speed to improve engagement, productivity, and retention.

2. Charting a renewed leadership vision

Successful leaders develop a compelling vision, building a campaign that enables change. According to Robbins and Judge (2008, p. 415), a compelling vision can influence followers and provide a sense of organization purpose "linking the present with a better future for the organization." As finance organizations transform through merging or acquiring new companies, the finance leader can imagine an ideal business model and set the goals and behaviors to refocus the company's reputation in the market. A clear and compelling vision can set the organization –moving apart from a place to work for a paycheck to a place that engages the whole person. When coaching a leader on developing and executing on a vision, a coach can help him or her create a compelling message that connects people powerfully to specific values and actions and that motivates them to achieve the vision by executing strategic priorities.

Table 3. Coaching tool 2: Charting a renewed leadership vision

- "Unstick" finance leaders from the past and help them establish a new direction.
- Map out what needs to be accomplished to achieve the vision.
- Establish clear goals and accountabilities.
- Develop key messages and frequency of the message.
- Communicate in a way that engages employees.
- Identify emerging business priorities to address new directions.
- Engage high performance teams to participate in defining the new course.
- Identify critical people to execute against the vision.
- Establish a personal and team vision statement.

3. Leading through values

Values make up both the leaders' and organization's identity. When truly lived and exemplified, they become the key drivers for engagement in organizations. Values equate to operating in a manner that is consistent with one's sense of purpose. Conversely, when values are not apparent, a leader may disengage. When working with a finance leader, coaches can benefit from exploring potential cognitive dissonance. Leaders who experienced the economic boom from 2001 to 2006 and 'survived' the changes may be unclear as to how their values fit with those of the new financial world. They may feel pulled and polarized by two seemingly opposite value systems, caught, for example, between a culture of profit-at-all-costs and being a steward for the larger good.

Goldsmith (2007, p. 24), says that “the more a leader is committed to believing something is true, the less likely we are to believe that the opposite is true, even in the face of clear evidence that shows we are wrong.” Leaders may experience discomfort and dissonance working in organizations that have experienced public and internal ridicule, and have suffered from the association between their role in the organization and an institutional reputation that is unfavorably discussed in the media. Today we might compare tobacco executives with financial executives. As tobacco executives may experience dissonance with the stigma of cancer and cigarettes (Robbins & Judge, 2008), financial executives might struggle with government bailouts, mergers and bonus pay, wondering what is 'right' and 'wrong,' and which values and behaviors will support these emerging institutions.

Coaches cannot force executives to align their values with the organization if they are not compatible. However, coaches can help their clients discover their beliefs and assumptions – and ultimately what they stand for as a leader.

Table 4. Coaching tool 3: Leading through values

- Identify the core values of the finance leader.
- Assess the fit between the leader’s and organizational values.
- Understand how an organization’s culture aligns with the finance leader’s values.
- Understand how values can manifest in the form of judgments or filters.
- Recognize and tolerate others’ values and how these values facilitate or impede performance.
- Listen, notice and engage at a personal level.
- Be aware of conflicts in vision and management of culture.

4. Inspiring leadership

Inspiring leaders encourage creativity, ultimately fostering innovation and change in an organization to achieve the vision. When people are engaged in new ways of working, retention soars. Robert Kabacoff (2009) of the *Wall Street Journal* notes that in study after study, strategic thinkers are found to be the most effective leaders. They think and act strategically every day, taking a broad view of long-range planning, problem solving and decision making through objective analysis. They consider multiple options to strategy and execution. Through their vision, leaders inspire people to tackle priorities, achieve business results, overcome barriers to change, and seek new solutions to business challenges. An inspired finance leader does not confuse potential and performance. Creating ill-defined goals to support a vision and financial agenda can result in failure and ultimately an uninspired employee population. A coach can help the finance leader develop an inspiring new agenda that is grounded in goals and aligned with customer needs and corporate strategy – and as a result, catalyzing and inspiring followers.

Table 5. Coaching tool 4: Inspiring leadership

- Coach the leader to honor the organization's past wins and culture.
- Identify goals, timeframes and resources required to drive accountability.
- Determine how the goals will impact finance people across the organization and assess the risks and rewards of implementing the vision.
- Inspire people to be innovative and to think "outside the box."
- Explore the talent in the organization and deploy effectively.
- Plan improvements to people and organizational performance.
- Build employee commitment to the organization brand.

5. Changing and innovating

Coaching finance leaders for culture change is the next logical step after vision and values are established. According to Charan (2009b, p. 14), "the new reality is that barring acquisitions, your company will be smaller two years from now than it is today." This prediction about internal changes in conjunction with the unpredictable market will require a modification of business processes, organizational structure and management span of control. Change and innovation focused coaching can help the finance leader to challenge assumptions he or she has about the organization while exploring a vision that stimulates innovation. A coach in this circumstance can be highly valuable in helping leaders develop a change plan to drive ownership and buy-in at all organization levels to the new vision or changing business priorities. According to Robbins and Judge (2008, p. 634), the leader who can drive innovation—"a new idea applied to initiating or improving a product, process or service"—will ultimately succeed. Innovation requires, and then in turn encourages, a more collaborative organization, focused on sustainable competitive advantage and prioritized activities. This focus can help finance leaders set a new direction and tone through new products or processes focusing back on customer needs. To transform an older finance firm into an innovative enterprise will require the finance leader to own the business outcomes. This can be accomplished by establishing a clear vision and aligning personal and organizational values. A coach can ensure that the finance leader understands these critical connections to enable key performance shifts.

According to Kotter (1996, p. 29), "older firms often have difficulty getting a transformation (change) process started because of a lack of leadership coupled with arrogance, insularity and bureaucracy." For financial organizations, which characteristically are more established and less innovative, there is a danger of over-managing change. A new program is "likely to be over-managed and under led, [where] there is a lot more pushing than pulling." If this type of management is present, people will become disengaged and unaligned with the strategy, vision and values. The organization is likely to become less innovative, more resistant to change and populated by uninspired people.

Leading organization and team change provides a powerful opportunity for the coach to support the leader in establishing new ways of working. If managed properly, "leaders will have a shared legacy of emerging victorious from a terrible war, prepared to take [the] company to a new level in a much better future" (Charan, 2009, p. 23). A coach can be a powerful partner in this war.

Table 6. Coaching tool 5: Change and innovation

- Create stakeholder maps to determine key organization relationships.
- Work with the finance leader to determine level of confidence in change plans.
- Build coalitions to create plans and benchmark progress.
- Ensure that the vision and the desired outcomes of innovation and change are aligned.
- Prioritize innovation and change activities.
- Create plans to engage people at all levels of the organization.

6. Building executive presence

Presence can be defined as the quality of the messaging (vs. content of the message): it is how a finance leader embodies and expresses his or her story. In the business context, presence can enable a leader to drive vision or make organization change with the goal of increasing innovation and engagement. What kind of poise enables a finance leader to relate to their complex web of often conflicting stakeholders? Charan (2009b) suggests that leaders must make a major behavioral change to meet the demands of a changing business environment. The finance leader with executive presence connects with people through the candor, clarity and openness of a message delivered confidently. The leader with executive presence demonstrates emotional intelligence and authenticity. As finance organizations emerge from the economic meltdown, it is critical that their leaders engage all members of the organization in new business plans. A coach can help a leader manage his or her energy, ensuring he or she tempers frenetic or chaotic behavior and creates calm and thoughtful messages. Simplifying changes to the vision and organizational direction can result in more understandable and therefore transparent messaging. Conveying trust and credibility ultimately tells members of the organization if the leader is trustworthy and credible. The coach can enable the finance leader to build a campaign for driving change into the organization in the post economic meltdown era. A coach will also work with leaders on communication skills: how to connect with various and diverse stakeholder communities that may, for example, have less technical financial knowledge but can hold great sway over result. A coach can help financial clients craft a new story for their organization.

Table 7. Coaching tool 6: Building executive presence

- Build awareness of others' perceptions.
- Understand what the leader's body language is conveying.
- Choose a commanding and authoritative voice, or a warm and understanding one, as appropriate.
- Create a professional brand.
- Establish a memorable first impression that is grounded in the organization's expected leadership behaviors.
- Message the vision and values using simple language and powerful stories.
- Know different messaging techniques for multiple stakeholders: Board members, teams, Wall Street analysts, etc.

CONCLUSIONS

The finance leader in the new economy will be required to:

- Create a renewed vision for direct reports, peers and senior leadership teams and other key stakeholders in a potentially changing organization which is possibly going through a major transition or change due to the financial events of 2008-2009.
- Manage multiple levels of stakeholders through more effective messaging and communication, to build greater employee engagement, unleash innovation and creativity, ultimately defining a new finance culture.
- Establish common values and purpose that align with the vision to achieve goals and priorities.
- Drive leadership transparency and social responsibility to rebuild the brand of their finance organization.

Charan (2009b) suggests there are six essential leadership traits for hard times:

1. Honesty and credibility.
2. The ability to inspire.
3. Real-time connection with reality.
4. Realism tempered with optimism.
5. Managing with intensity.
6. Boldness in building the future.

Coaching cannot occur in isolation. In this article we explored the interplay between current economic occurrences and coaching practices. We considered what might make sense in the future. The most successful coaching engagements integrate the finance leader's individual development needs and his or her manager's expectations of his or her leadership of people and the business impact, as well as the interplay between the client organization's culture, strategy and values. "The next generation approach to leader coaching integrates coaching with organizational context and strategy. Leaders develop broad capabilities relevant to realizing the organization's strategic objectives now and in the future" (Right Management, 2009c, p. 6). Executive coaching does appear to be creating a space for itself in the financial landscape, particularly with the shift toward coaching top talent (Kaufmann & Coutu, 2009). Given the changing business conditions for finance leaders, "There is no question that future leaders will need constant coaching. As the business environment becomes more complex, they will increasingly turn to coaches for help in understanding how to act" (Charan, 2009a).

Many leaders who derail during this critical period do not recover; more importantly, many who do not derail still do not reach their full potential.

Coaches undoubtedly can enable leaders to influence the unfolding culture in the finance sector to include more focus on business ethics and social responsibility. Future coaches will likely include retired CEO's or other experts from universities, think tanks and government (Charan, 2009a). While there are many ways a coach can contribute to a finance leader's development, creating sustainable plans is critical. As a coach, you know what drives, motivates and inspires the finance leader, and know how to identify the key challenges they might face as organizations transform post economic meltdown.

The coach should consider leadership thinking, industry knowledge, human and organizational behavior, business acumen, and professional attributes (integrity/credibility/self confidence) to be core coach competencies. She should think about the benefits of 'straight talk' to accelerate a finance leader's success in the new economy. The coach can help the finance leader develop vision and values, understand their role in the organization, anticipate and execute change, and provide the messages they need to engage their people. A coach is a catalyst for change by holding a mirror to the leader and ultimately transferring his coaching skills to that leader. The coach can help facilitate specific changes in attitude and behavior by working with the leader to identify a specific area of development to develop to achieve goals and, in the case of finance, rebuild credibility with the public and media. A skillful and knowledgeable coach can assist her client in crafting a message that will convince stakeholders inside and outside their financial institution that this institution is sustainable – despite the lingering challenges of a major economic meltdown.

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