

Accountancy Age

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Executive coaching – transforming a profession in times of change

'Executive Coaching' may be the latest buzzword in business, yet for many the concept of coaching is still shrouded in mystery. Used by an increasing majority of companies across all industries, many organisations are choosing to invest in the development of their leadership and that of their future leaders. Despite this growing tendency, there is still lively debate as to what a coach can achieve, if and how this can be measured and who really benefits from the process.

Senior business leaders are under ever escalating pressure to demonstrate their value through results. The growing demand to report quarterly is putting greater emphasis on demonstrable short-term impact by senior executives, particularly the CFO and CEO.

In addition, recent financial scandals have placed the spotlight firmly on corporate governance, with Sarbanes-Oxley impacting firms on both sides of the Atlantic.

At the centre of the Enron debacle, the accountancy profession has arguably been one of the hardest hit by these developments. Auditors, traditionally silent figures in the background crunching numbers and upholding standards, have suddenly been thrust under the microscope and held up to close inspection and suspicion by the world's media.

This has been the year in which the Big 5 became the Big 4, the year in which the last of the consultancy arms were finally forced to split from their parent audit firms. A period of enormous change for one of the oldest and traditionally most stable professions, in the midst of the longest economic downturn since the 1930s.

For those at the top of the profession it has inevitably been a time of some introspection. Those who have reached senior level are evidently highly skilled

technicians within a system where financial rewards are traditionally linked to technical expertise.

However, having climbed the corporate ladder, whether within an accountancy firm or as an aspiring Finance Director, the skills which have allowed these individuals rise to such a position are far from the same as those now required to take them to the next level. In light of the enormous changes undergoing business today, accountants are more than ever having to learn to become business leaders.

But what is leadership? Another management buzzword that few can define? Simply put, leadership is not about titles but about influence and it is not about doing a job just because you are the best at it. Leadership is about nurturing talent, effective delegation and the ability to let go and empower those below you, for it is from their success that your will be judged.

This is not rocket science but the success of an organisation can not depend on the ability of its senior management to oversee the minutiae of the accounting process, even if this is where he or she feels the most comfortable and even when he or she is the best person at the job.

This is the reason that the accountancy industry is joining the vast majority of other professions in employing executive coaches to develop and support its senior management and future leaders. Coaching comes into its own in times of change.

The range of professionals which call themselves executive coaches is huge. In the Harvard Business Review earlier this summer, Stephen Berglas argued that poor executive coaching can do more harm than good.

The current US vogue for lifestyle coaches represents one end of this scale. This type of counselling predominantly focuses on the personal goals of the individual without necessarily linking these back to what the business wants to achieve. These coaches effectively act as a sounding board for senior executives on a number of levels but are less concerned with the business benefits of the process than with the specific requirements of their client.

At the other end of the coaching scale are highly experienced business people who have re-invented themselves as executive coaches. They impart their knowledge on those aspiring to reach the upper echelons of business and share their valuable insights and experience. These business gurus are really mentors not coaches. Because there are often no clear parameters to the process, these types of relationships can create a level of dependency between the mentor and his pupil.

The coach's role should lie somewhere between these two extremes. A coaching programme should be built around the unique development needs of the coachee but always aligned with the broader business goals of the organisation. The coach should not analyse, as a lifestyle coach does, neither should the process be based simply on a transfer of knowledge such as that in a mentoring environment. A coach should be empowering his or her 'coachee' to identify and develop their own particular skills or indeed overcome any issues holding them back.

Senior executives in accounting – at partner or FD level - who have been assigned a coach, are typically very highly trained and experienced individuals. A coach would not be expecting to refine the technical skills of these top people. Rather, the role of a coach is to help his or her clients identify ways in which they can contribute most effectively to the success of the organisation both in the short and the long term.

For the process to be successful, clear parameters must be established from the outset. This means a set timeframe during which clearly identified business goals are identified and, most importantly, put into practice. These should be assessed by the coach, by the coachee and by his manager. The aim is for the individual to become aware of, and put into practice, the tangible actions which he or she must take in order to achieve the mutually pre-determined changes.

This could mean a number of things: Learning to think strategically and see the big picture rather than being purely concerned with the finer details, a quality which may well have been their route to success; being proactive in client development; taking on new responsibilities and new skills which will make them an asset to the firm as a whole; and recognising the importance of delegation to give themselves more time for this strategic change at the top level.

It is human nature to stick with what we know and with what we are good at, so coaches must above all challenge their clients to step out of their comfort zone. The primary obstacle to achieving success through coaching is resilience to change. The first and most important job of the coach is therefore to identify what motivates each individual and to identify their talents, or rather their potential, beyond those he or she is recognised for. For without the individual's motivation to explore the unknown, few doors can be opened for them.

For professional accountants the challenge is in helping skilled technicians to apply their very specific skills at the next level. Working with them to develop their internal and external relationships such that they can communicate effectively and as such influence those around them.

Motivation is, however, highly individual and is dictated by how a person defines their success. The skill of a good coach is being able to pin-point what makes a person tick. The sign of a successful coach is one whose client defines their success by the ability themselves to coach the talent that will succeed them. It is through this cascading process, as executives are coached they in turn learn to nurture future leaders, that coaching has its most lasting impact.