SCHOOL OF SOCIAL SCIENCES

Conflict Transformation and Peace Studies

Coaching as an empowerment tool for financial advisors to transform the South African life assurance industry

By

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DECLARATION

I *John Nyamunda* Student Number *214 584 265* declare that

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2. This dissertation has not been submitted for any degree or examination at any other University.

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DEDICATION

To my beloved parents Patrick and Emmerenciana for their believing in the value of education and hard work.

ABSTRACT

Life assurance remains one of the most recognised effective mitigating tool to reduce risks faced in people's daily lives (Naidoo, 2010). This is effectively done through a financial planning process conducted by financial advisors. In South Africa, 60% of financial advisors at present are white males 50 years and older, while only 10% of financial advisors are mostly black advisors under 30 years of age (The Institute of Practice Management, 2010). This is despite the fact that in the general population white people form only 8.9% of South African population (Department of Labour, 2013). Employment transformation in general remains slow and as of 2012, 72.6% of top managerial positions were occupied by white people (Department of Labour, 2013). This is despite the efforts being made by financial services companies through the Financial Services Charter, where they are paying 1.5% of payroll (in addition to the skills development levy) for training. Training provided by life assurance companies to Financial Advisors is mostly classroom style which focuses on the sales cycle, the law and product information. It does not take into account differences in financial advisor backgrounds. Using the current training methods being employed, more financial advisors from 'suburb' schools (mostly white) will have better outcomes compared to financial advisors from 'township' schools (mostly black) (Equal Education, 2011). This means transformation, as desired by life houses remains unachieved. Inequality that can be aligned with cultural, race, religious identity or ethnicity (horizontal inequality) is more likely to lead to conflict (Kanbur, 2007 & Steward, 2005). The majority of sales people reach their full potential through effective training and sales coaching (Rich, 1998, p. 52). Sales coaching of financial advisors is done haphazardly by life assurance companies as great emphasis is put on classroom based training. This thesis argues that life assurance companies should include coaching as a fundamental part of their training programme, if they want to achieve transformation. I suggest using a Gestalt approach to coaching of financial advisors. In this thesis, the conflict race theory (CRT) is used to have an in-depth understanding of conflict transformation in the South African life assurance sector.

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1.1. Introduction

Financial Advisors are the backbone of life insurance as they provide a link between the life assurance companies and their clients through helping clients make informed decisions about investments and life insurance they need (McGregor, Slovic, Berry and Evensky, 1999). According to a Regional Manager of one of the top 5 life insurance companies in South Africa, about 50% of new financial advisors are lost every year during the initial three years of joining the industry (Pers comm., 8/8/2013). Due to the historical reality of South Africa, 60% of the advisors at present are white males 50 years and older, while only 10% of financial advisors are mostly black advisors under 30 years of age (The Institute of Practice Management, 2010). Life assurance companies agreed through their Financial Services scorecard, to commit about 1.5% of their payroll (over and above the mandated skills development levy) in the development of previously disadvantaged racial groups. Despite concerted effort and commitment of resources, life assurance companies remain untransformed. According to the Insurance Sector Education and Training Authority (INSETA) (undated), the main challenge facing the insurance industry is building a demographically representative skills base. The lack of visible transformation leads to tension and conflict which require attention. This calls for a different approach to the professional development of financial advisors which will lead to better outcomes especially for the previously disadvantaged.

1.2. Background and outline of research topic

According to a Regional Manager of one of the listed insurance companies, many young advisors, who are recruited from previously disadvantaged backgrounds, do not make it to their second anniversary. This is despite a considerable investment in human resources development by financial services companies in terms of the Financial Services scorecard. Dunn (2014) states that there are few mentoring programs in the life assurance sector. This, according to Dunn (2014), is mainly due to company consolidations experienced in the sector in the past couple of years. The responsibility for training and mentoring has been left in the hands of managers with limited experience (Dunn, 2014).

This reality is exhibited in the Liberty's "Just in Time" Coaching. The FA News (2011) reports that at Liberty the development of a financial advisor is a joint responsibility between the advisor and his/ her manager. The manager is acts as the coach of the advisor throughout the career development period of the advisor (FA News, 2011). There is no mention of the manager being formally trained as a coach.

According to Rich (1998), the vast majority of sales people reach their full potential through effective training and coaching and practitioners in most fields recognise sales coaching as the most competitive skill any organisation can have. In line with this thought, it can be argued that poor outcomes of financial advisors retention, training and empowerment could be significantly improved by using sales coaching.

Some insurance companies have 'Broker Schools' where advisors are taken through different training levels (FA News, 2007). In this vein, in 2007 Liberty Life launched its 'Broker School' which provided a developmental path in line with the FAIS legislation (FA News, 2007). In addition to legislative training, most life assurance companies also accredit financial advisors on their own products. Other life companies only employ advisors with experience, and as such with no need for initial training. Generally, most life companies leave the responsibility of coaching to the sales manager, without any formal training in coaching (Pers. Comm., 8/8/2013).

The Insurance Sector Education and Training Authority (INSETA) has played a pivotal role to enable previously disadvantaged brokers and financial advisors to obtain training credits, as required by law (Stuart, 2007). The researcher proposes that INSETA and life assurance companies' approach to training and development, specifically focused on complying with the law, does not lead to the desired skills and empowerment outcomes.

According to Modiri (2012), the legacy of apartheid in South Africa continues to exist as education, wealth and power are still divided along racial lines. White people are wealthier and continue to enjoy superior educational outcomes. Equal Education website (2011) states that huge disparities continue to exist in pass rates between schools in townships and nearby suburbs. For instance in 2010, schools in Khayelitsha (a Cape Town township) had an average matric pass rate of 50%, while the neighbouring Rondebosch (Cape Town suburb) had 100% (Equal Education, 2011). In discussing these results, Equal Education (2011) argues that, these results "could be drawn between any townships in South Africa, and the nearby suburbs". It is from these differing pools of youths that insurance companies recruit, employ and train financial advisors.

Training provided by INSETA and life assurance companies is based on an archaic training paradigm which says, if financial advisors know enough about the sales cycle, the law and product they will perform satisfactorily as they are motivated by money (Peaksales, 2010). Financial Advisors drawn from diverse backgrounds discussed in the previous paragraphs go through the same training process. The researcher submits that, based on their schooling, more financial advisors from 'suburb' schools (mostly white) will have better outcomes than 'township' schools (mostly black). This means transformation, as desired by life houses remains unachieved. Without person specific learning intervention like coaching, the industry will continue to recruit young men and

women, to be financial advisors pre-destined to fail and only to succeed financially as an anomaly. Pursuant to this thinking, it is hypothesised that the judicious use of coaching could produce desired empowerment and transformation results for both life assurance companies and financial advisors.

1.3. Statement of the Problem

The need for transformation in the financial services industry is articulated in the Financial Services Charter (2004) where it is stated that there is a need to improve the pool of intellectual capital through skills development and the training of existing and new black professional managers. This would be consistent with the transformation agenda of South Africa and development of a peaceful society.

According to NMG Consulting (2012), South Africa has supportive demand dynamics for life insurance. These include a large and fragmented population (which makes for creative product design), high level of risk awareness (driven by accidental death and dread disease), limited safety net (in the form of old age pension, disability and family support system) and strong cultural support (in the form of need for business insurance and cultural needs for funeral assurance). These dynamics need to be serviced by a well-trained human resource force.

The demand dynamics of the life assurance market introduce complexity which requires financial advisors to be trained in sense making and cognition. Sense-making is a process of understanding changes which occur and integrating them into existing experiences (Du Toit, 2007). Ting and Scisco (2006) define sense making as the understanding of complexity and fitting the complexity into broader frames of value, vision, morals, ethics and spirit. A central tenet in organisational development is that, from a cognitive perspective, learning is more like sense making (Sinkula, 1994).

Cognition helps financial advisors to interpret and help their clients make sense of confusing life, social and economic events. Cognition, which is fundamental in the way people interact with the world, is hidden away from them (Du Toit, 2007). In a sense, without training or coaching, financial advisors would struggle to understand their own weaknesses which would negatively affect their relationship with their clients and financial success.

It is important to note that there is a difference between coaching and training. Although these terms are sometime used interchangeably Wilde (2009: 2) states that training is a monologue by the trainer, where the trainee assumes the position of passive listener, whereas coaching is a conversation. Although some training uses participative techniques, Wilde (2009: 2) argues that training only deals with increasing skills and knowledge of trainees while coaching explores how to maximise a coachee's potential.

Coaching is a catalyst for positive change in a way that's appropriate for individuals helping them to be the best they can be (Neale et al., 2009). Results from qualitative research into coaching have been positive with 93% of human resource managers in Germany, and 99% in the United Kingdom reporting tangible benefits from implementing this human resources development intervention (Passmore, 2008).

According to Grobler (2005), in 1994 the South African government inherited a training and education system with serious shortcomings. For instance, the unemployed are inadequately trained; provision of resources to students was racially skewed to the ratio of 3: 1, white to black students. This is the reality under which South African businesses operate.

This research in the life assurance industry is necessary in South Africa, currently, because of the pressure for transformation emanating from the society at large and specifically from the Broad Based-Black Economic Empowerment (BB-BEE) and the Financial Services Charter. If black economic empowerment results in placing inappropriately qualified and trained people, it will negatively impact life assurance companies, the financial advisors thus employed or promoted and the long term competitiveness and sustainability of the industry. Grobler (2005) argues that developing countries such as South Africa need to identify potential key industries and develop 'competence clusters' through appropriate research and development.

South African society is plagued by high unemployment. Statistics South Africa (2014) provide the overall unemployment rate of South Africa, in the 4th quarter of 2013, as 24.1%; with the unemployment for men at 22.4% and that of women 26.3%. However, in a study by Kingdom and Knight (2005) which explored broad unemployment on racial lines found that broad unemployment for blacks was 41.2%, Coloureds 23.3%, Indians 17.1% and whites 6.3%.

From the broad unemployment figures cited above, unemployment figures are skewed on racial lines, which is one major potential cause of conflict. Kanbur (2007) cites research which found that it is not the extent of inequality but its nature which leads to violent conflict. Southall (2006) relates the Malaysian experience, where there was a political crisis in 1969, as inter-racial economic disparities continued twelve years after that country's independence. The majority Malays continued to be worse off than the minority Chinese (Southall, 2006). Inequality that can be aligned with cultural, race, religious identity or ethnicity (horizontal inequality) is more likely to lead to violence (Kanbur, 2007 & Steward, 2005). According to Steward et al. (2005), horizontal inequality is inequality between population groups. People can be classified into groups using their nationality, racial, ethnicity, religious beliefs or gender.

Inequality between individuals is called vertical inequality and is measured by the Gini's co-efficient (Steward et al., 2005). Vertical inequality is likely to be greater in a country with high horizontal inequality. In a sense, South African unemployment figures can easily be aligned with people's race (horizontal inequality), which makes South Africa prone to potential violent conflict. This is in line with Steward et al.'s (2005) assertion that horizontal inequality is more likely associated with conflict than vertical inequality. Unfortunately, violent conflict is not the solution as it worsens inequality (Brinkman, Attree and Hezir, 2013). This points to the need for BB-BEE and other empowerment laws to deliver positive results to reduce this overt potential cause of conflict.

In a quantitative analysis of armed conflict, Collier, Hoeffler and Rohner (2006) found that a high proportion of young men in a population increases the likelihood of war. The proportion of young men "is a good proxy for the proportion of the population psychologically predisposed to violence and best-suited for rebel recruitment" (Collier, Hoeffler and Rohner, 2006, p. 18). A study of recruitment of young men to violence in the Delta region of Nigeria found that variation in recruitment between districts is unrelated to variations in social provision (Oyefusi, 2007). An Afghan Survey by Oxfam (2009) found that 70% of respondents attributed conflict to unemployment and poverty, while 48% identified corruption and ineffective government as the driving force for conflict. In light of these studies, it can be argued that due to high levels of unemployment among young black men, and in the context of its past, South Africa is prone to violent conflict. Increasing the retention and success of financial advisors contributes to the reduction of both unemployment and conflict.

Besides the broader issues addressed by this research, insurance companies are already spending a significant amount of money training each financial advisor. In a personal conversation with the Regional Manager already mentioned, a life assurance company spends about R300,000 on one financial advisor remuneration, training and development in their first 24 months of service (Pers. Comm., 8/8/2013). This research could provide insights into how to reduce such outlay and also achieve better training and empowerment outcomes. This would help insurance companies to train better quality advisors and more financial advisors using the same budget.

1.4. Primary Research Questions

This research answers the following questions:

(a)   What progress has been made in transformation and empowerment of the South African life assurance sector, with specific focus on Broad Based Black Economic Empowerment and The Financial Services Charter (2004)?

(b)   How is the life assurance sector currently training and coaching financial advisors?

(c)   How can coaching be used as an effective approach for financial advisor training and development to promote financial advisor success and improve training outcomes, like increasing retention rates and knowledge, to the previously disadvantaged population?

1.5.   Significance of the Study

The life assurance sector occurs in the South African context where there are efforts to create a social environment free of inequalities. Despite concerted effort and commitment of resources, life assurance companies still are untransformed. The lack of visible transformation leads to tension and conflict which require attention. Transformation can effectively be done through up-skilling previously disadvantaged racial groups in a sustainable manner i.e. which will produce desired results without significantly encumbering the ability of businesses to create jobs.

Coaching can be seen as a human resources development process that requires the coachee to make behavioural changes (Bluckert, 2006), learn and develop enough to achieve personal and organisational goals (Kennedy, 2009 and Passmore, 2009), with a view to maximising their potential (Mietusch, 2010). Its popularity is increasing as it is seen as "one of the most cost effective ways of making people, and organisations more effective" (The International Coaching Community, 2012).

This research will provide insight into whether coaching can be used in the development of previously disadvantaged financial advisors in order to reduce attrition and increase the desired skills which lead to success. These insights could be used by life assurance companies to design financial advisor recruitment, training, empowerment and retention strategies. As an extension, these strategies could also be used in recruiting other key positions for life companies. This may quicken the employment transformation process, thus reducing incidence of conflict.

1.6.   Theoretical Framework

The Financial Services Charter (2004) states that there is a need to improve the pool of intellectual capital through skills development and training of existing and new black professional managers. This dissertation will argue that better financial advisor training and empowerment outcomes will come from coaching. Coaching is part of a group of human resource management interventions which, according to De Vries, Guillén, Korotov and Florent-Treacy (2010, p. xxvii), aims at making people "feel empowered to experiment and improve themselves and the organization". Interventions such as mentoring, training, counselling and management are part of a repertoire of organisational interventions used together with coaching to optimise human resource performance.

A widely cited research study conducted by Olivero, Bane and Kopelmann during the winter of 1997 found that training alone increased performance by 22.4%, while if supported by coaching an 88% increase in performance was obtained. In discussing these results, Olivero, Bane and

Kopelmann (1997) argue that the improved performance results from coaching can be attributed to individualised goal setting, conscious learning by the coachee, planning for implementation of results and individual review of results against set performance goals. This research will argue that, to develop a financial advisor who will be highly productive, there is need to re-orient training and development more towards coaching.

Knowledge alone does not change people thus the need for coaching. Cox *et al. (*2009) report that from their coaching experience, coachees make commitments which by the next coaching session they have not followed through. Coaching should help create a sustainable behavioural change in people which will last beyond the coaching relationship.

There are several theories which can be used in coaching, as discussed in chapter 3. This dissertation will discuss coaching using the Gestalt theory which is influenced by psychoanalysis, field theory, existential philosophy and the humanistic therapy movement (Cox *et al.,* 2009).

In Gestalt psychology, each person is deemed as an exploring, adapting, self-reflecting, interacting, social and physical being in the process of continuous change (Parsloe & Leedham, 2009). The work undertaken by German psychologists, Max Wertheimer, Wolfgang Kohler and Kurt Koffka highlighted that people understand reality from their current and historical perspectives.

According to Parsloe et al. (2009, p. 107), every person's life is filled with many Gestalts, that is temporary 'cycles of experience' that form, complete and dissolve and problems only emerge when these cycles are broken i.e. not completed or blocked. Bowman (1998, p. 106) states that the Gestalt therapy 'is a process.. of improving one's contact with the community and the environment in general... through authentic dialogue between the client and the therapist.'

Gestalt psychology has been selected for the purposes of this transformative study in the insurance sector, because conflict arises in the person's contact with the community (Bowman, 1998). In this case financial advisors' interactions with the life assurance company he/ she works for. If these 'Gestalts' are positive, complete and free flowing, the incidence of conflict is reduced (Parsloe et al., 2009).

The subject matter of transformation and conflict will also be discussed using Critical Race Theory (CRT). According to Delgado and Stefancic (2010), CRT is a collection of works by scholars and activists aimed at transforming relationships between race, racism and power. According to CRT, the adoption of a legal and political system which is race neutral, colour blind and promotes equality, does not really serve the previously oppressed (Parker et al., 2008). The advantages in wealth and education obtained by the privileged few over centuries remain entrenched in the

country. For instance is South Africa, the legacy of apartheid continues to exist in education, wealth and economic power, which are all still divided along racial lines (Modiri,2012).

Critical Race Theory also is an appropriate analytical approach given the development in racial relations. Overt racism is now rare, having been replaced by subtler forms of racism (Delgado and Stefancic, 2010). This kind of racism is much more difficult to detect, especially if overt proof is required (Parker et al., 2008).

The CRT theory helps uncover deeper and subtler forms of racism which prevent progress. These forms of racism are what the general population experiences which can easily lead to conflict.

1.7. Research Design

This research is desk based and will employ qualitative methods to assess the efficacy of coaching as an empowerment tool for transformation of the life assurance industry in South Africa which is currently characterised by conflict. Such an approach includes a brief analysis of empowerment legislation, financial services charter, financial services charter scorecard, journal articles, reports and newspaper articles.

In analysing the empowerment legislation, there will be a special focus on Broad-Based Black Economic Empowerment, the Financial Services Charter of 2004 and the Financial Services Charter Scorecard. These texts will provide a guide into the general objectives of the law, its prescriptions and guidelines.

The researcher will then investigate the state of the Life Assurance sector in South Africa. This will include the structure of the sector, its contribution to the economy and organisations representing different interests in the sector. There will be an effort to understand the general structure of training in the life assurance sector. This will be achieved through the use of journal articles and industry research by professional organisations.

To get a sense of the state of coaching, the researcher engaged in a personal communication with a Regional Manager of one of the top 5 life insurance companies in South Africa on 8 August 2013. This was an exploratory conversation in order to have a general understanding of financial advisor training.

After considering the current training practices in the insurance sector, the researcher will conduct an in-depth review of coaching literature. This will be achieved through consulting relevant textbooks and journal articles.

In conclusion, the Researcher will discuss whether coaching would be a viable tool and approach to financial advisor development and empowerment in the life assurance industry. The main issues to be considered would be the cost of implementing such a human resources intervention approach, creating a sustainable coaching culture, return on the investment of coaching, empowerment and conflict transformation.

1.8. Limitations of Study

This study may be limited by its methodology in so far as it is a desk based research and the availability of confidential organisational data.

1.9. Structure of the Dissertation

The dissertation will have several chapters as follows:

Chapter 1- Introduction: This chapter will provide an overview of coaching, empowerment and conflict transformation in the life assurance industry of South Africa. This will include providing a background to the problem area, definition of research questions, highlighting the significance of the study, research objectives, research design, limitations and key assumptions.

Chapter 2- Transformation and Empowerment in the Life Assurance Industry in South Africa: This chapter will provide an understanding of social transformation and empowerment in general. It will discuss Black Economic Empowerment (BEE), The Financial Services Charter and the role of education in empowerment.

Chapter 3- Theoretical Framework: The theoretical framework chapter provides an analytical framework for this dissertation. Several theoretical approaches to coaching are discussed and the Gestalt approach is selected as the most appropriate approach to the coaching of financial advisors. The theoretical framework which underpins empowerment and conflict transformation is Critical Race Theory (CRT).

Chapter 4- An Overview of the Life Assurance industry in South Africa: This chapter provides an overview of the life assurance sector, its products and how it fits in the South African economy. The chapter also discusses the role of the insurance sector and that of financial advisors. It then explores how financial advisors are currently being trained in the life assurance sector.

Chapter 5- Application of Gestalt Theory and Critical Race Theory: This chapter opens with a discussion of why the Gestalt approach is the most appropriate to financial advisor coaching. It then discusses how a life assurance company can establish a coaching culture among financial advisors

in order to achieve desired outcomes. Ways to measure the results of coaching are discussed and the chapter closes by discussing the most appropriate measures for financial advisor coaching success.

Chapter 6- Conclusion and Recommendations: This chapter discusses the insights which can be drawn from this dissertation and what life assurance companies can do to improve training, retention and empowerment outcomes.

CHAPTER 2
Transformation and Empowerment in the Life Assurance Industry in South Africa

2.1. Introduction

The oppressive system which had been operational for centuries in South Africa came to an end in on 27 April 1994. This brought a lot of optimism about the increased participation of black people in the economy in order to reduce the prospect of civil strife (Iheduru, 2004). Increased black participation would help create a successful and inclusive capitalist economy, which would also guarantee whites enjoying their wealth (Iheduru, 2004). However, the first decade of Black Economic Empowerment (BEE), from 1994 was largely considered a failure. According to Murray (2000), during the first decade of democracy, the ANC elite could not overcome their fear of white capital flight. This means, not much was done to improve social equality and economic status of blacks. South Africa's level of inequality as measured by the Gini co-efficient, remains very high at about 0.63 in 2010, way above similar middle income countries like Brazil (0.547), India (0.334) and Russia (0.401). This chapter explores social capital (sense of social connectedness), social transformation, followed by social mobility and then Black Economic Empowerment in South Africa. The chapter concludes with a brief discussion of the role of education in transforming the life assurance sector.

2.2. Social Capital

Understanding social capital is important in the context of conflict transformation and empowerment. According to Heywood (2008, p. 46), social capital refers to the "levels of trust and sense of social connectedness that help to promote stability, cohesion and prosperity". Bourdieu (1986, p. 241) define social capital as "the aggregate of the actual or potential resources which are linked to the possession of a durable network of … relationships of mutual acquaintance and recognition".

According to Ashton (2009) a reduction in social capital reflects a declining society. If people lose their sense of community, as reflected by declining social capital, "society becomes somewhat unworkable" (Ashton, 2009, p. 4). Putman (2000) argues that the central idea of social capital is that networks, associations and acquaintances which promote reciprocity have value. He then postulates two types of social capital, namely, bridging social capital and bonding social capital.

Bridging social capital is outward looking that is, a process of trying to create relationship (Putman, 2000). Bridging social capital is provided by a person's core network members extending to people a person has weak ties with and outside his immediate core network (Hampton, in press). Putman (2000, p. 23) highlights that bridging social capital "generates broader identities and reciprocity…".

Bonding social capital refers to the person's core network, that is, a small subset of a person's network closest to him or her (Hampton, in press). Larsen et al. (2004) define bonding social capital as social ties which develop between neighbours which helps them to move towards mutually beneficial collective action. It is not necessary that the trust develops first before people begin cooperating on issues of common interest (Larsen et al., 2004). According to Putman (2000, p. 22) bonding social capital is exclusive and "tends to reinforce exclusive identities and homogeneous groups".

In differentiating bridging and bonding social capital, Putman (2000, p. 23) states that bonding social capital is good for day to day convenient interactions, while bridging social capital is good for progressing in life. However, bonding and bridging social capital are not so different from each other. The differences are only highlighted in order to be able to differentiate social capital (Putman, 2000). The value of social capital in general is discussed in the following section.

Importance of social capital

Social capital is important in as much as it strengthens the society. Ashton (2009) highlights that declining social capital also indicates a weakening society which reduces people's ability to defend common interest. For instance, in South Africa, the fight against crime could be improved if social capital is strengthened, through more cohesive neighbourhoods.

Improving social capital reduces incidence of conflict in a society. For instance, Ashton (2009) argues that a community which is more individualistic (low social capital) is highly socially divided. Small groups of people push for their own interest even to the detriment of other groups, thus increasing the incidence of conflict between these social groups.

Social capital helps increase the level of influence enjoyed by an individual. Lesser (2009) postulates that social capital is also existent in the relationship between a client and a professional. With the right amount of social capital, a professional can influence the behaviour of the client. In a sense, increasing social capital helps one achieve social transformation. In the next section, social transformation is discussed.

2.3. Social Transformation

2.3.1. Definition of social transformation

According to Castle (2001), the last quarter of the twentieth century was a period of rapid social transformation impacting several areas of society such as the economy, politics, environment, culture, society to social. Social transformation, according to UNESCO, refers to a "change of a society's systemic characteristics [which] incorporate the change of existing parameters of a societal system, including technological, economic, political and cultural restructuring". In a South African political context, The ANC (2007, p. 5) in a discussion paper views social transformation as "the transition from an inhumane society characterised by racism, division, inequality, injustice and subjugation to a society that is ostensibly caring, open and democratic, committed to the ethos of non-racialism, non-sexism and freedom".

This dissertation will discuss social transformation at a systematic level in form of Black Economic Empowerment (BEE), its successor the Broad-Based Black Economic Empowerment and (BB-BEE) specifically, the Financial Services Charter. However, the main focus will be on individual transformation or vertical social mobility, i.e. how can previously disadvantaged people be empowered to become effective financial advisors. Social mobility is discussed in the next section.

2.3.2. Social mobility

Aldridge (2003) defines social mobility as the movement between social classes or occupational groups. He distinguishes it from income mobility which he defines as movement or opportunities for movement between different income groups. Shepard (2009) defines social mobility as movement of individuals or groups within a class structure. Social mobility could also be intergenerational, improvement in social status between generations (Aldridge, 2003). It is possible to move up or down in a social class, without changing a social class (Shepard, 2009).

Social mobility can be horizontal or vertical. According to Sorokin (1998) horizontal social mobility is the individual transition from one social group to another at the same level. It is like moving from one occupation or profession to another while maintaining the same status, for example, a waiter becomes a taxi driver (Shepard, 2009).

In vertical mobility the social class or status changes, either improves or deteriorates (Shepard, 2009). The change in social status has to be significant (Spaaij, 2011). Vertical

mobility can also be intergenerational, where a plumber's daughter becomes a medical doctor (Shepard, 2009).

Social mobility is not just an objective measure, but includes some social negotiation. According to Aldridge (2003), despite the similarity in social mobility in several developed countries, there are significant differences in perceived social mobility. For instance, Americans are much more likely to believe in equal opportunities than citizens of other countries (Aldridge, 2003). In other words Americans believe they have a potential to change their social status in contrast with other developed countries who generally believe their social status is pre-ordained. Even if their incomes change, they remain immured in their social status as social mobility needs to be validated by others.

The idea of social mobility is an important aspect of a country's democracy (Immerfall and Therbon, 2009) in as far as it promotes stability. In a well-functioning democracy, a person's station in life is not fixed by birth, but can be altered through his own effort. According to Immerfall and Therbon (2009), mobility opportunities and prospects are a significant measure of individual freedom and these are necessary to minimise societal conflict. To sustain this mobility there is need for social transformation.

2.3.3. The need for social transformation in South Africa

Though South Africa achieved democracy 20 years ago, there remains numerous areas in need of further transformation. A paper by Gumede (2013) highlights several areas in South Africa which need transformation.

The first area Gumede (2013) discusses is that social development has improved, but there is still need for further improvement. For instance access to services like piped water and electricity has improved, but a backlog of people needing access remains. Like in 2011, 10% of households did not have access to flush toilets and 7.3% did not have toilets at all.

Secondly, according to Gumede (2013) the economy has stabilised but remains untransformed. Per capita growth of the economy has been impressive, growing at an average of 3.5% since the 1990s. However, even with its impressive growth, it underperformed most comparable middle income economies such as India, Brazil, Botswana and Malaysia. Ownership of business is still dominated by whites and managerial positions still non representative of racial groups (Gumede, 2013).

The third area highlighted by Gumede (2013) as in need of transformation is underemployment and unemployment which is rising. According to Statistics South Africa

(2014), unemployment remains very high in South Africa pegged at 25.2% during the 1st quarter of 2014. The expanded definition of unemployment, including discouraged workers, stands at 35.1% (Statistics South Africa, 2014).

Another area which Gumede (2013) highlights as being in need of transformation is education. Access to education has improved, headcount enrolment increased, government and private sector investment in education improved and regulation improved. Despite high investment in education, illiteracy remains comparatively high at about 20%, institutions remain untransformed and quality of graduates remains questionable (Gumede, 2013).

Lastly, Gumede (2013) argues that poverty and inequality remain high, while human development is not improving. The Human Development Index of South Africa has stagnated since about 2000, which has led South Africa to trail many countries which had comparable indices like Botswana, Brazil, Mauritius etc. (UNDP, 2013).

In education, though head count has increased, there remains huge disparities between schools in townships and suburbs (Equal Education, 2011). This is an unfortunate perpetuation of apartheid legacy of providing "black, coloured and Indian children with inferior education" (Equal Education, 2011, p. 1). According to Equal Education (2011), though all public schools are open to people of all races, the public education system remains unequal and as such producing unequal outcomes for students.

From the discussion above, it is apparent that South Africa still has many dimensions of its society which need further transformation. Of interest to this dissertation is the need for transformation in the life assurance sector.

2.3.4. Need for social transformation in the Insurance Industry

The need for transformation in the insurance sector was highlighted in the Mail and Guardian (2011) interview of Adam Samie, chief executive of Lion of Africa Insurance on 31 August 2011. The first area he raised was that insurance companies just bemoan the quality of graduates entering the workplace, but do very little to improve the skills internally.

The second area highlighted in the Mail and Guardian (2011) interview of Adam Samie on 31 August 2011 was that training programmes offered, though in line with the South African Qualifications Authority, are too rigid and produce too few candidates who meet performance requirements. Lastly, Samie postulated that training is aimed at fulfilling compliance requirements and not contributing to the development of previously disadvantaged people in South Africa. This means that there isn't much thought put into the training programmes, in a sense of really up-skilling the previously disadvantaged people.

In an interview of 16 January 2013, Leo Merwe Executive Head of Human Resources of Aon South Africa discussed the need for home grown skills and empowering previously disadvantaged groups (Money Market, 2013). However in the whole interview, he did not pin point a specific training programme currently designed by his organisation to consistently empower previously disadvantaged groups.

There is a need for true empowerment, for the benefit of both individuals and insurance companies involved. It is important to first discuss what empowerment is and then the macro environment in which insurance companies operate.

2.4. Empowerment

2.4.1. What is empowerment

According to Johnson (2010, p. 394), the term empowerment refers to the efforts of 'marginalised groups for a social environment free of inequalities' which disfavour them socially and economically. Ginnodo (1997, p. 33) has a much simpler definition of empowerment as 'the provision of an opportunity and means to make decisions and take actions which affects the individual'.

Instead of focusing on a single definition of empowerment, Alsop, Bertelsen and Holland (2006, p. 46) highlight that the definition of empowerment is country specific. For instance, Alsop et al. (2006, p. 47) provide the Honduran definition of empowerment as "the ability of local actors to effectively participate in school related decision making"; the Nepalese definition of empowerment is, "Enhancing an individual's or group's capacity to make purposive choices and transform those into desired actions and outcomes".

In the context of the subject of this dissertation, the definition of empowerment by Kirkpatrick (2011) is much more relevant. He states that empowerment in an organisation is about granting, to people, enough power needed to perform their jobs from the moment they join the organisation. Following this vein of thought, people in an organisation can only have enough authority if they are adequately prepared for their role. In other words, it is difficult to be truly empowered without appropriate knowledge and skills.

We should however, consider a contested view of empowerment in developing countries like South Africa. Johnson (2010) has general misgivings about empowerment as it is practised and applied in developing countries. She argues that it is highly westernised, with clear disregard of people's culture, driven by westerners or locals who are highly influenced by western thought. In pursuing the western thought in empowerment, Johnson (2010) states that, most empowerment approaches end up blaming the unempowered for their lot, without

taking cognisance of the political and social systems which they live in that prevents their progress.

At the organisational level, Seibert, Silver and Randolph (2004) stipulate that organisational structures, policies and practices play an important role in empowerment and also bringing intrinsic levels of motivation. Empowerment is viewed as the removal of structures and practices which foster feelings of powerlessness. This line of thought is the most appropriate for this thesis; however we need to explore empowerment in general first.

Having understood social transformation and the meaning of empowerment, we should briefly discuss the continued need for empowerment before discussing the history of empowerment in South Africa.

2.4.2. The need for empowerment in South Africa

There is a growing school of thought that seems to question the continued need for empowerment in South Africa, twenty years after the end of apartheid. In a way, white children born after the first democratic elections might find themselves victims of empowerment policies, despite having not benefited directly from the previous dispensation. There are also growing arguments that BEE scares away investors and creates a small click of well-connected wealthy and empowered elite (Southall, 2006).

The first notable challenge inherited in 1994 was the extremely skewed nature of the South African economy. In 1981, over 70% of the top 138 companies were controlled by state corporations and 8 private companies (Davies et al., 1984). By 1985, the top six conglomerates controlled 71.3% of non-government companies and 80% of companies listed on the JSE (Fine & Rustomjee, 1996). Blacks were generally excluded in this ownership, which gave rise to the need for correction.

The other notable challenge inherited by the first democratic government after 1994 was the issue of job reservation. According to Martin and Durrheim (2006), historically jobs were reserved in terms of laws such as the Regulation of Mines and Works Act of 1911, the Industrial Conciliation Act of 1924, the Mines and Works Amendment Act of 1926 and Bantu Labour Amendment Act of 1970. Although there was an effort in the 1970s and 1980s to deregulate discrimination, the problem was endemic and working effectively against all non-whites (Martin and Durrheim, 2006).

The negotiated settlement did not immediately correct this imbalance, South Africans did not nationalise large companies, having learnt from failure of other former colonial states.

According to Southall (2006), in essence, the negotiated settlement gave black people control of politics, while white people controlled the economy, with some accommodation of black elites.

This does not mean there was no black business. According to Southall (2006, p. 75) black business was underdeveloped and restricted under apartheid and "black businessmen were 'capitalist without capital'… therefore required financial assistance…".

Even with the numerous and large BEE transactions, which favoured a few well connected individuals, Southall (2006) states that in 2005, blacks still controlled only 4% of the JSE's total capitalisation. This indicated a continued need for active policy of empowerment of the majority for continued stability of the country.

It should be noted that, the first decade of BEE, from 1994 was largely considered a failure. For instance, Murray (2000) argues that the ANC elite could not overcome their fear of white capital flight, by not following through with any meaningful policies which ensured rebalancing of the economy. Iheduru (2004) states that during President Mandela's tenure, the ANC elite remained ambivalent to black bourgeoisie rather pursuing a small business development strategy, instead of transforming the economy.

Empowerment efforts take time to bear fruits. One country where empowerment was actively pursued after a political crisis of 1969, aimed at the Chinese minority, is Malaysia. Having gained official independence in 1957, only about 20% of the share of wealth in 1990 was in the hands of the Malay, more than 30 years later (Southall, 200). In the South African context, given the slow start of empowerment, it might take even longer to achieve similar success.

The South African situation is further complicated by the concentration of ownership and management. According to Andrews (2008), most South African industries are dominated by a few big conglomerates who would own the biggest suppliers, manufacturers and retailers in that industry. In addition, senior positions are disproportionately held by people with elite qualifications like Chartered Accountants, MBAs and lawyers (Andrews, 2008).

On the employment front, top management positions remain dominated by whites, as they maintain more than a two-thirds proportion in terms of representation as shown in figure 2.1. below. There has been a gradual reduction in the percentage of whites from occupying 81.5% of top management positions in 2002, to 72.6% in 2012. This reduction has led to a corresponding increase in top management representation of other racial group (refer to figure 2.1., below).

Figure 2.1. Population Distribution trends for Top Management from 2002 to 2012

	2002	2004	2006	2008	2010	2012
■ African	10.0%	11.8%	11.3%	13.6%	12.7%	12.3%
■ Coloured	3.4%	3.7%	4.7%	4.7%	4.6%	4.6%
■ Indian	5.0%	5.6%	6.2%	5.9%	6.8%	7.3%
■ White	81.5%	78.9%	74.9%	72.8%	73.1%	72.6%
■ Foreign national	0.0%	0.0%	2.9%	3.1%	2.9%	3.1%
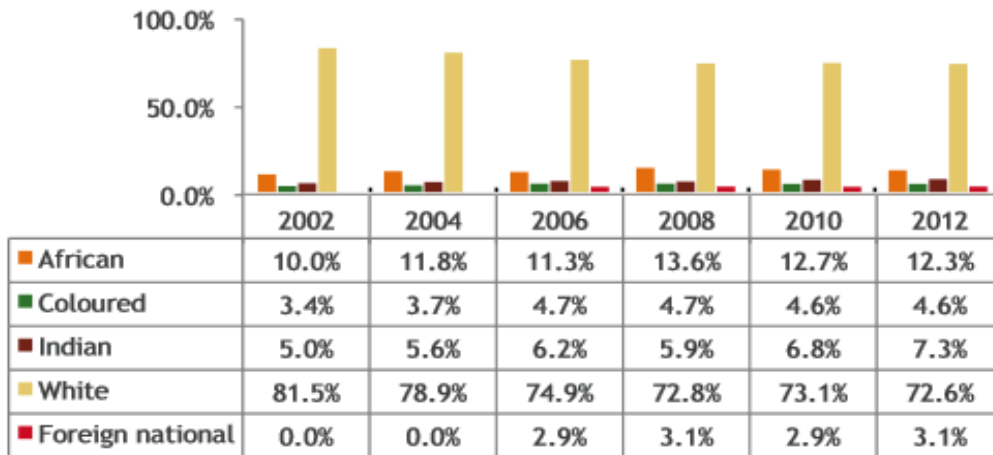
Source: Department of Labour, 2013, Commission for Employment Equity Annual Report, 2012-2013, Pg. 9

Having highlighted the need for empowerment, it is important to consider the empowerment laws of South Africa.

2.5. Black Economic Empowerment (BEE)

2.5.1. Brief history

The history of BEE is presented by Acemoglu, Gelb and Robinson (2007). In their paper they discuss the history of economic empowerment in three phases, as shown below:

Phase 1: Uncoordinated policy, 1993- 1999

Black Economic Empowerment was ironically initiated by private business; namely Sanlam and Anglo American (Freund, 2007). According to Freund (2007), the early form of BEE was considered a failure especially after the 1997 JSE stock exchange crash which devalued the ownership holdings of blacks. Southall (2006) reports that, from an initial high of about 10% of market capitalisation in the hands of blacks, that shareholding crumpled to under 1% after the stock market crush. This led to the formation of the Black Business Council in 1998, chaired by Cyril Ramaphosa, specifically appointed to formulate the BEE legislation (Freund, 2007).

Phase 2: 'Big Push' to overcome Apartheid Legacy, 2000-2014

The Broad Based- Black Economic Empowerment Act (BB-BEE) came into effect in January 2004. The BB-BEE aimed to encompass "element of human resources development, employment equity, enterprise development, preferential procurement …." (Acemoglu, 2007, p. 7). There are also sectorial charters pursuing the same objective of empowerment. According to Freund (2007), the state is doing as much in its power to send the message that it prefers to do business with companies which share their vision. Several empowerment codes were published in 2007, in line with the objectives of the BB-BEE Act. Acemoglu (2007) states that, the codes were aimed at clarifying the measurement of BB-BEE and determine weights attached to the different element of broad based empowerment.

Phase 3: Self-sustaining Empowerment

This phase is characterised by reduced government involvement in the empowerment project. According to Acemoglu et al. (2007), there was need for significant government involvement in the initial phases of BB-BEE to break the initial conditions inherited from apartheid. However, after the initial phase and the relevant weights as prescribed by the codes have been achieved, there is no need for further active government intervention (Acemoglu et al., 2007). The empowerment project thereafter takes a life of its own without need for active involvement by the government.

2.5.2. Challenges encountered in BEE

The challenge is that, the black people shareholding remains closely related to people with connections in government or the ruling party. Companies are giving high level positions and stakes in their businesses to people with strong government links (Freund, 2007). This means people being empowered really do not need further empowerment. The people in need of empowerment are being left behind, while a small fraction amasses significant amounts of wealth for itself.

The major BEE challenge is to find a way of improving the life of ordinary previously disadvantaged South Africans. The country remains characterised by high levels of unemployment, huge numbers of violent crime, workplace strikes and service delivery protests which routinely turn violent. According to Freund (2007), this has not yet destabilised the ANC as there remains no 'plausible alternative'. However, the prospects are high that an alternative trade union based party promising more wealth transfers and economic participation of blacks could be formed.

2.5.3. Objectives of BB-BEE

Before discussing the Financial Services Charter, it is useful to briefly present the broad goals of the Broad-Based Black Economic Empowerment Act No. 53 of 2003. The broad aim of the Financial Services Charter is to facilitate broad-based economic empowerment through several means as discussed below.

The first objective of the charter is to promote the meaningful participation of black people in the economy. Secondly, the Financial Services Charter aims to change the racial composition of business ownership, management structures and skilled occupations. The third objective of the Financial Services Charter is to increase the ability of collective enterprises (like communities, cooperatives & workers) to own and manage enterprises.

Another objective of the Financial Services Charter is to promote investment programmes that lead to more meaningful participation of black people in the economy. Lastly, the Financial Services Charter aims to promote access to finance for black economic empowerment.

Now that the broad aims of the Financial Services Charter have been highlighted, the following section discusses its other provisions.

2.5.4. Financial Services Charter

The financial services charter was voluntarily developed by the financial services sector to address inequalities and mobilise the energy of South Africans… towards sustained economic growth, development and social transformation (Financial Sector Charter, 2004). Organisations catered for in the charter include banks, insurers, re-insurers, investment managers, retirement funds etc. There are several some exemptions from complying with some provisions of the Charter granted to some organisations based on their staff compliment, turnover etc.

The charter applies from 1 January 2004 to 31 December 2014 after which the parties agreed that "the principles contained in the charter will be relevant beyond 2015" (Financial Services Charter, 2004, p. 6).

The charter covers several core components of BEE and allocates points per core component. This is briefly explained below, and the relevant paragraph of the Charter indicated.

The first core component of the Financial Services Charter is human resource development. This is covered in paragraph 5 of the Charter and is allocated 20 points.

The highest number of points is allocated to the core components of Empowerment financing and ownership and control. These are covered in paragraphs 9 to 11, respectively. Empowerment financial and ownership and control are allocated 22 points each.

Procurement and enterprise development is another core component covered in paragraphs 6 and 7. This core component is allocated 15 points. Paragraph 8 of the Financial Services Charter covers access to financial services. Access to financial services is allocated 18 points.

The last core component of the Financial Services Charter is corporate social investment which is covered in paragraph 12. That core component is allocated 3 points.

The focus of this research is on the core component of human resources development, one of the key pillars of empowerment in the financial services sector. The role of education in empowerment is briefly discussed below.

2.6. The role of education on empowerment

The Financial Services Charter (2004) articulates the need for empowerment as a means to right the past discriminatory laws and practices, improve economic efficiency and develop a broad based and diverse skills set for all South Africans. The situation for black women is deemed by the Financial Services Charter (2004) to be even worse than the rest of the black population.

To promote empowerment through human resources development, the Financial Services Charter (2004, p. 7) undertook to do several things. Firstly, it undertook to promote a non-racial, non-sexist environment and improve cultural diversity. Secondly, it intends to invest in human resource development, with special emphasis on black people. Lastly, the Charter intends to invest in current and future leadership to enable them to play a central role in driving transformation.

Each financial institution committed to spend (in addition to the skills development levy) 1.5% of basic payroll on training of black employees (Financial Services Charter, 2004). It was agreed that the Financial Services sector scorecard be reviewed every two years, and in the 2008 review, the sector had exceeded the target in some areas and under achieved, in others (Financial Sector Charter Council 2008 Annual Review). For instance, the financial services sector had exceeded all the cultural diversity and gender sensitivity targets and skills development spending (Financial Sector Charter Council 2008 Annual Review). However, it underperformed the targeted number of learnerships at 1.46% of staff versus the target of 1.5% (Financial Sector Charter Council 2008 Annual Review).

In the KPMG BEE Survey (2013), the skills development dimension underperformed both the current codes and revised codes, but was at par with regards to employment equity. Whereas the

required scorecard points for skills development were 20 for revised codes and 15 for current codes, the financial services sector achieved only 10. On employment equity, the financial services sector was at a par of 8 points with current codes, and there was no measurement for revised codes.

It is in this context that a specific focus on the skills development of financial advisors is placed in this research. The population of life assurance advisors is still dominated by white men more than 50 years old (The Institute of Practice Management, 2010). Many young advisors, recruited from previously disadvantaged backgrounds, do not make it to their second employment anniversary. The success rate of previously disadvantaged segment of the population continues to be unimpressive, despite significant resources allocated by both industry and at company specific levels. This study proposes that the situation could be turned around through the use of appropriate coaching and training which takes cognisant of special needs of previously disadvantaged population.

2.7. Conclusion

This chapter explored social capital, social transformation and social mobility in the South African context. Besides being an objective measure, social mobility is also about how people see themselves. Is their social status improving with time and between generations? While progress is being made in terms or correcting historical imbalances, there is growing concern that it benefits only a few politically connected people. However, to counter that, the Financial Services charter's approaches empowerment from various vantage points which include employment, shareholding, procurement, training and development. It is in the training and development sphere that this dissertation fits; especially the development of financial advisors. The issue being explored is; how can we change the character of the financial advisor in the life assurance sector from white and ageing, to a more demographically representative population. The racial transformation of financial advisors would contribute to conflict transformation in the insurance sector. The next chapter discusses the theoretical framework for coaching and conflict transformation.

3.1. Introduction

Coaching can be seen as a human resources development process that requires the coachee to make behavioural changes (Bluckert 2006), learn and develop how to achieve personal and organisational goals (Kennedy, 2009 and Passmore, 2009), with a view to maximising their potential (Mietusch, 2010). Coaching has different conceptualisations ranging from it being goal-oriented to being a personal development tool, as discussed in section 3.2. It can be underpinned by different theoretical approaches which are discussed in section 3.3. Coaching in terms of this dissertation is underpinned by Gestalt therapy, whose forming pillars were first published in 1951 by Frederick Perls, Relph Hefferline and Paul Goodman (Walker, 2008). The Gestalt approach is useful in financial advisor coaching due to its techniques which increase self-awareness (Cox et al., 2009), help the financial advisor listen to their clients without passing judgement (Stevenson, 2005) and promote the coach and the financial advisor presence to the task at hand (Stevenson, 2005). Results from qualitative research into coaching have been positive, with Passmore (2006) stating that 93% of human resource managers in Germany, and 99% in the United Kingdom, report of tangible benefits from coaching. However, coaching is used to a limited extent in the training of financial advisors in the life assurance sector.

Post apartheid South Africa can be understood in the context of Critical Race Theory (CRT). According to Delgado and Stefancic (2010) Critical Race Theory (CRT) is a collection of activists and scholars studying and trying to transform relationships among race, racism and power. CRT helps scholars interrogate the relationship between ostensibly race-neutral ideals, like 'rule of law', 'merit' and 'equal protection' … to advance the political commitment to racial emancipation" (Parker et al., 2008, p. 1). This chapter starts by exploring different conceptualisations of coaching, followed by different theoretical approaches to coaching. Thereafter it presents the Gestalt approach as the most appropriate and closes by exploring CRT in the life assurance sector.

3.2. Defining the concept of coaching

A brief etymology of the word 'coach' would improve the understanding of the origins of coaching. Underhill, McAnally and Koriath (2007) state that the word coach comes from the 15th century village of Kocs in Hungary where coaches for transportation were constructed.

Hemez-Broome et al. (2010) states that defining the concept of coaching is made complicated by the numerous types of coaching. As a result, the numerous definitions of coaching are found in the literature and these definitions can be classified into the following categories; goal oriented, change

oriented, performance potential oriented and personal development oriented definitions. In the following paragraphs several definitions are discussed according to this classification.

3.2.1. Coaching as a goal oriented activity

Kennedy (2009) defines coaching as "about getting results and helping clients understand their way of generating [results]". In this way the entire focus of coaching is seen as reaching the goal or attaining desired results. Using a similar line of thought, Passmore (2009, p. 58) defines coaching as a "method that facilitates goal achievement". In both these definitions, coaching is seen as a method to bridge the gap between a goal and its realisation.

According to Blessingwhite (2009) there is a need for goal congruency between the coachee's pursuit of his/ her own goals and producing the desired results for the organisation. The coachee pursues both personal and organisational goals, usually concurrently.

3.2.2. Coaching as a change oriented activity

The notion of coaching as a change oriented activity for the coachee has its emphasis from behavioural coaches, coaching psychologists, therapists and counsellors (Bluckert 2006). Goldsmith, Lyons and McArthur (2012, p. 1) state that coaching is about how coachees "achieve positive, long-term measurable change in behaviour: for themselves, their people and their teams". The changes which the coachee has to undergo during coaching include the way of thinking, behaviour and emotional self-management. According to Neale, Spencer-Arnell and Wilson (2009, p. 32) coaching "is about being a catalyst for positive change in a way that is appropriate for individuals, helping them to be the very best they can be". In a way, these change oriented definitions to coaching imply that there is a discrepancy between the coachee's desired and actual performance of which coaching is the antidote to the problem.

Other change oriented definitions focus on external changes. Du Toit (2007) has an elevated view of coaching and refers to it as a catalyst for individuals to make sense of changes in the environment. This is done through carefully categorising huge volumes of information which constantly bombard individuals (Du Toit, 2007). Rock and Donde (2008) compare coaches to midwives of change who know when change is coming, when it has arrived, where it needs some nudging and when it is gone.

Ulrich (2010) emphasises that the focus of change in coaching should be on behaviours that get in the way on being effective. There is however a growing body of knowledge in positive psychology, which argues that the focus of coaching should be on maximising strengths and

managing weaknesses. For instance, Tobias (1996) as quoted by Baron and Morin (2010) states that coaching helps the coachee focus on his or her strengths while managing his/ her shortcomings.

3.2.3. Coaching as a performance potential maximising activity

Some definitions focus on coaching as a way of maximising coachee performance to realise full potential. Mietusch (2010, p. 4) defines coaching as "the art of facilitating the unleashing of *people's potential* to reach meaningful, important objectives". Implicit in this definition is the belief in untapped potential. The idea of coaching as a performance maximising approach is also contained in Gilley, Gilley and Kouider's (2010) definition which states that coaching is a means of helping employees progress from good to excellent or peak performance. Palmer (2003, p. 28) defines coaching as 'bringing out the full potential of the individual'. Coaching has the potential to help the coachee unlock their dreams and live them (Williams, 2008). Blanchard and Shula's (1995) argue that without coaching, people may not cross their self-imposed limits. Therefore, is "a psychosocial intervention that optimises unrealised potential through talent development and refinement from average to outstanding performance" (Orlinsky, 2007, p. 55).

3.2.4. Coaching as oriented towards personal development

Coaching is also defined in the context of the human desire to always better themselves. Wermer and De Simone (2012, p. 372) define coaching as a process "used to encourage employees to accept responsibility for their own performance, to enable them to achieve and sustain superior performance and treat them as partners in working towards organisational goals and effectiveness". Brockbank and McGill (2006, p. 31) state that "individuals are responsible for their own development … and their progress is a result of their own motivation, commitment and drive". The emphasis of Wermer *et al.* (2006), Brockbank and McGill (2006) and Blessingwhite (2009) is on personal commitment to improvement. Personal development, according to Biswas-Diener (2010), happens through a process where a coach facilitates experiential learning.

The coaching environment should support the learning otherwise learning process will not occur. The learning environment should engender enough trust to enable people to lay themselves open to uncertainty which is required in learning (Brockbank *et al.*, 2006).

Personal development oriented definitions are succinctly summarised by Styhre (2007) who defines coaching as a way of equipping people with tools, knowledge and opportunities to become more effective. In the learning process, the coach, according to Ellinger et al. (2010),

needs to be an example. The manager as coach should exhibit behaviours which enable the coachee to learn work related skills.

Considering the above discussion on the coaching definitions, and their differing focus, each definitional thrust, as can be seen, is incomplete. For example, goal achievement should take into account the fact that the environment in which people live is always in a state of flux. On the other hand, the personal development focused definitions should take account of the need to achieve both personal and organisational goals.

Based on the reading of coaching literature, this study adopts its own definition which incorporates all fundamental elements of coaching. Coaching is defined as: *a one to one relationship which requires the coachee to make behavioural changes in order adapt to environmental changes, maximise his or her potential through learning so as to achieve personal and organisational goals.*

From the wide array of definitions above, it is important to explore the different theoretical approaches which underpin coaching.

3.3. Theoretical approaches to coaching

While coaching in terms of this dissertation is underpinned by the Gestalt theory, there are many other theoretical approaches which can be adopted by a coach. This section is designed to give a background necessary to discuss Gestalt Therapy and why it was selected as the most appropriate approach to empowering financial advisors through coaching. These theoretical approaches have differing histories, assumptions, developmental routes, tools and applications. This section provides a brief overview to twelve theoretical approaches to coaching below.

3.3.1. The Psychodynamic approach

According to Siegel and Welsh (2010, p. 107), under the psychodynamic approach "the assumption is that human behaviour is controlled by unconscious mental processes developed early in childhood". Flanagan and Hertz (2011) state that the psychodynamic theory looks at an individual's narrow psychological world, which controls his behaviour. Though mainly unconsciously, many people act in a manner resulting from internal conflicts they may be unaware of (Cox, Bachkirova & Clutterbuck, 2009).

According to Pear (2007), the psychodynamic approach is premised on Freud's psychoanalysis theory. The core of Freud's argument is that personalities and behaviour are predetermined by base drives and past psychological events (Bernstein, Penner, Clerk-Stewart & Roy, 2011).

Bachkirova *et al.* (2004) state that the contemporary psychodynamic theory basically tries to explain a coachee's behaviour from the impact that his upbringing had on him / her. In the coaching relationship, the coach helps the coachee expose the unconscious strategies of coping, such as denial, projection or repression (Bachkirova *et al.* 2004).

Core assumptions of psychodynamic theory

(1) *Much of mental life is unconscious*: According to Freud the mind operation is divided into instinctive drives (IDs), ego and superego. Carducci (2009) states that the ID is the core of personality fully functional at birth but completely unconscious. The ego is the master of reality and serves as the buffer between the ID and the real world (Carducci, 2009). According to Carducci (2009) the super ego is the centre of moral standards making sure thoughts, feelings and behaviour stay within expectations. Gabbard (2010) states that the ID, ego and superego are in constant conflict.

(2) *Childhood experiences in concert with genetic factors shape the adult:* the psychodynamic approach assumes that genetic make-up plus childhood experiences with parents and caregivers shape up adult life (Gabbard, 2010). There is a complex interaction between parents and child which are crucial in the child's development (Gabbard, 2010). Andrasik (2005) suggests that there is a continuity of personality from childhood to adulthood.

(3) *The client's transference to the therapist is a primary source of understanding:* Transference refers to the 'feelings from childhood that get imposed on present day situations, emotions relived here and now" (Greenberg, 2009, p. 76). In contemporary thinking, the client can actually project self onto the therapist in form of transference. When this happens, sometimes the therapist is nudged into conforming to the expectations (Gabbard, 2010). The coach can carefully use this transference to have an in depth understanding of the coachee.

(4) *Therapist's counter transference provides understanding of what the patient induces in others***:** Counter transference occurs when the therapist experiences the client as someone from his/ her past, in a similar way that the client experiences the therapist as someone from the past (Gabbard, 2010). According to Gabbard (2010), contemporary understanding of counter transference encourages the therapist to reflect on own reaction as it helps reveal the patient's induced reaction and self-induced reaction.

(5) *Patient's resistance to therapy is a major focus of therapy:* The interplay between the ID, ego and superego reaches equilibrium after years of practice (Gabbard, 2010).

Gabbard (2010) further states that the client has perfected defence mechanism to any changes including the changes intended by the coach. These defences are both conscious (which the therapist can observe) or unconscious such as forgetting to pay the bill, refusing to develop goals on therapy, forgetting agreed therapy (Gabbard, 2010).

(6) ***Symptoms and behaviours are determined by complex and unconscious factors.*** Gabbard (2010) states that our lives are determined by a complex interaction of factors which are unconscious. These factors determine the way we deal with others and the way we control our feelings (Fonagy & Target, 2003). These unconscious beliefs, thoughts and feelings can be usefully explored by the coach with the client.

(7) ***A psychodynamic therapist helps the patient achieve a sense of authenticity and uniqueness.*** In the psychodynamic thinking, we do not really know ourselves, as we struggle to fit with parental expectations of us (Goddard, 2010). To further complicate the matter, the true self is multi-facetted and varies with relationships being explored (Goddard, 2010). Myers and Gabbard (2008) state that in psychodynamic therapy, the therapist helps the client better understand the multi-faceted nature of identity through a supportive and expressive approach.

Techniques used in psychodynamic coaching

The psychodynamic approach uses the ACE technique. According to Lee (2003) ACE represents **a**ctions, **c**ognition and **e**motions. The ACE technique aims to explore conscious and unconscious intentions, especially where a gap exists between intentions and results (Graham 2003). Graham (2003) further states that, the coach under the ACE technique has a choice of which dimension, whether action, cognition or emotion to work on. Working with one dimension produces ripple effects on the other two. Where there is resistance to change, the coach moves across dimensions to explore what is limiting the desired change (Graham, 2003, p. 32)

Application of the psychodynamic approach

The psychodynamic approach can be applied in several coaching contexts. Cox *et al.* (2009) state that this approach can be used in skills and performance coaching, developmental coaching, executive coaching and team coaching. With skills and performance coaching, the ACE technique can be used to explore why desired behaviour is not forthcoming (Cox *et al.* 2009). In developmental coaching, the psychodynamic approach can be used to can help a client get back in touch with what drives them (Cox *et al.* 2009). In executive and leadership

coaching, the psychodynamic approach can help the leader to identify relevant approaches to use in their role (Cox *et al.* 2009). With team coaching the coach can use the psychodynamic approach to reduce unhelpful emotional defences among team members or overreliance on one person.

3.3.2. The cognitive behavioural approach

The cognitive behavioural approach argues that the method used by people to solve problems is largely based on their understanding of what the problems are (Neenan & Palmer, 2001). According to Watkins and Leigh (2009), people act based on their interpretation of an event or the situation. In a coaching context, people behave in a manner which is consistent with what they believe they can or cannot do.

Mitcheson et al. (2010, p. 6) state that the central thrust of cognitive behavioural therapy is on how "thinking biases impact … specific problematic emotions and behaviour". The cognitive behavioural approach attempts to expose thinking biases and help clients to overcome their challenges using different techniques (Mitcheson *et al.,* 2010). The Royal College of Psychiatrist (2012) highlights the negative thinking loop which can be created by thoughts which compound a situation to make an individual worse than before. The thinking loop is illustrated in Figure 3.1. below.

Figure 3.1.: The Thinking Loop.

Source: http://www.martinfrost.ws/htmlfiles/dec2006/cbt.html
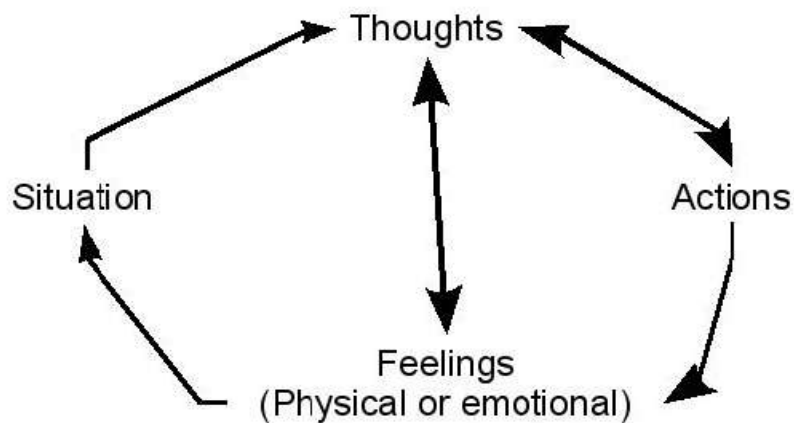
Issues and assumptions of cognitive behavioural approach

Cox *et al.* (2009) state that the basic premise of the cognitive behavioural approach is that the way an individual thinks impacts on their feelings, stress levels and performance. Lauderdale, Akhigbe & Launderdale-Akhigbe (2010) provide the overriding three assumptions of cognitive behaviour therapy as:

1. Thinking is determined by emotions and behaviour. Morton, MCleroy and Wendel (2011, p. 227) state that this further assumes that the context and process of thinking is knowable "therefore not unconscious".

2. Emotional disorders arise from negative and unrealistic thinking, and

3. If you change negative and unrealistic thinking, the emotional disorder will be reduced.

Simons-Morton *et al.* (2011, p. 227) provide a further assumption that 'thoughts mediate emotional and behavioural responses'. Which means between an event and behavioural responses, there is a gap controlled by the act of thinking?

Techniques used in cognitive behavioural coaching

The Association of Coaching and Passmore (2010), state that a cognitive behavioural coaching session usually commences with establishing specific, measurable, achievable, reasonable and time bound (SMART) goals by the client. This is followed by developing the SMART goals into action plans. The client also provides feedback regarding the effectiveness of each session for future improvement (Passmore *et al.*, 2010). In subsequent sessions, the coaching sessions start with a review of progress. Passmore *et al.* (2010) highlight that psychological stumbling blocks usually arise during sessions which the coach should help remove.

Psychological stumbling blocks can be removed by using the ABCDE (activating event, beliefs, consequences, dispute and exchange) model (Association of Coaching and Passmore 2010). Spry (2010) calls the ABCDE model (illustrated in Figure 3.2. below) the centrepiece of cognitive behavioural coaching.

Figure 3.2.: The ABCDE Model
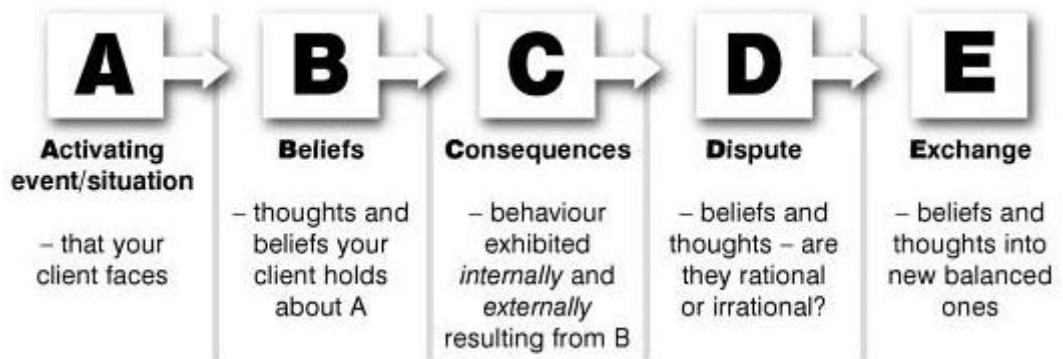
Source: Spry (2010, p. 41)

Application of the approach

Cox *et al.* (2009) state that cognitive behavioural coaching can be used in any coaching context where the client is limiting himself/ herself by unhelpful thinking and self-defeating behaviours. For example, in skills and performance coaching, cognitive behavioural coaching can be used when a client starts to self-doubt as it helps the client identify these tendencies (Cox *et al.,* 2009). In life coaching, cognitive behavioural coaching can be used to boost self-confidence through deliberate personally designed experiments (Cox *et al.,* 2009). In developmental coaching, cognitive behavioural coaching can be used to explore personal beliefs that limit personal transformation (Cox *et al.,* 2009).

3.3.3. The solution focused approach

The solution focused approach is premised on the thinking that coaching is about finding a solution to human performance problems. According to Passmore *et al.* (2010), the basic thrust of solution focused coaching is that the amount of time expended on therapeutic sessions is better focused on trying to find solutions, as opposed to uncovering root causes of problems. Stober and Grand (2010) state that during solution focused sessions there is use of positive and non-pathological language which promotes focusing on the desired goal, as opposed to focusing on problems.

Assumptions of the solutions focused approach

The solutions focused approach arises from a constructionist philosophy which posits that the problem is not something grounded in reality, but constructed from the discourse about the

problem (O'Connell, 2005). There is no direct access to the truth except through how it is constructed linguistically.

Dryden (2007) states that the image of the person in the solution focused approach is that of a resilient, skilled and imaginative problem solver. The human brain is deemed a massive treasure and repository of solutions i.e. signature solutions and failed solutions (Dryden, 2007). Solutions do not exist independent of the coachee.

At the heart of the solution focused approach lies self-directed learning (Passmore *et al.*, 2010 and Cox *et al.*, 2009). Self-directed learning seeks to enhance self-efficacy and self-reliance in finding solutions and evaluating success by the client.

O'Connell, Palmer, Williams (2012) state that, the solution focused approach is premised on the understanding that, though coachees are skilled problem solvers, they are likely to have forgotten about most of the solutions they applied in the past. This approach therefore attempts to cultivate a curious and solutions oriented mind-set based on the belief that once acquired, the client will keep using that approach to self-regulate and integrate these skills into other areas of life.

Techniques used in this approach

According to Cox *et al.* (2009) the solutions focused approach attempts at two types of changes namely; the way the client views the problem, and the development of behaviours consistent with the solution. Several techniques are discussed by Dryden (2009) and Moore (2012) to achieve this goal. Some of these techniques are discussed below:

(1)   Pre-session change

According to Dryden (2009) from the early sessions, the coach tries to help the client observe positive change as early as possible in order to create momentum to empower the client to make further changes. Dryden (2007) states that even before the first coaching session, the coach can ask the client to notice any changes which occurred before the session. Most clients will report positive change. Moore (2012) suggests that to evaluate the pre-session change, the coach can ask, "what has changed since you made the decision to call"?

(2) Concrete goals

The coachee sets out goals which he/ she intends to achieve from coaching. Moore (2012) states that the client needs to have concrete goals that are measurable, specific and time bound.

(3) Problem free talk

Dryden (2007, p. 390) advises on commencing coaching sessions with discussions about the client's leisure activities. The overall message which this type of opening communicates is that there is more to the client's life than the problems they currently experience. These rapport building exercises help the coach identify the client's values, metaphors, strengths and in short, the strategies that may work for the client (Dryden, 2007).

(4) Being brief

Every session should be treated as if it is the last one and therefore there is a demand and pressure on the coach to be brief (Dryden 2007). In order to be brief, Dryden (2007) states that the coach must project that a lot can be achieved in a short period of time, believe that more does not mean better, minimal interpretation, and staying close to the client's problem interpretation.

(5) Miracle question

This is a question designed to illustrate to the client that they already know the solution to their coaching problem (Moore, 2012). This question's first line is "Suppose that during the night, while you were sleeping a miracle happens…" This is followed by a description of the miracle. Moore (2012) states that to be effective, the miracle question should be preceded by preparing the client and the coach using relevant pauses. The client's answer to the miracle question is followed up by action oriented questions from the coach, of what the coachee is going to do (Moore, 2012).

(6) Competence seeking

Dryden (2007) states that the coach should pay particular attention to the coachee's competencies. This is meant to highlight to the coachee that he/ she is capable and has the skills to resolve the problem.

(7) Scaling

This is a process where the coach asks the coachee to rate his/ her own subjective experience movement towards a desired solution (Moore, 2012). The post miracle state is assumed to be 10 on the hypothetical scale. The clients evaluate where they are with the solution on the scale between 1 and 10. Moore (2012) argues that scaling helps highlight to the client, the need for action towards a desired goal.

(8) Coping questions

These are questions designed to reveal the client's secrets for managing under difficult circumstances (Moore, 2012). Moore (2012) stipulates that the coping questions help clients view themselves as more capable of finding a solution by themselves than what they currently perceive and also reminds them of their past coping mechanism. It is argued that drawing attention to what works brings greater change more quickly than any other approach (Moore, 2012).

Application of the solution focused approach

Dryden (2009) warns that not all clients are the same. Different clients view and acknowledge problems differently and as such they have different levels of desire to pursue change. The different types of clients are discussed by Dryden (2007) and are summarised below:

- *Visitor*- this is a coaching client who does not think he has a problem and as such does not want to change. In this context the coach can explore with the client what he wants to keep in life and what he wants to see happening differently without discussing the problem.

- *Complainant*- this client owns the problem but sees the solution lying elsewhere with another person. The coach listens with empathy and where necessary leads the client to explore other person's behaviour did not change.

- *Customer*- this is a client who owns the problem and ready to do something about it.

3.3.4. The person centred approach to coaching

This is a non-directive approach to coaching as the coach listens and accepts the client without judgement (Rock & Page, 2009). The person centred approach is based on the fundamental understanding that people are generally trustworthy and have the potential for understanding themselves and to solve their own problems (Pettier, 2010). The clients are treated as experts in finding solutions to their own life problems. De Haan and Burger

(2005) state that the coachee is given as much space as possible to work on his/ her issues. In this sense the coach refrains from guiding the client in any direction and also contributes minimum new information (De Haan & Burger, 2005). In a sense, the coach's role is secondary (Pettier, 2010, p. 104) and the coach needs to empathise with the coachee's subjective view of the world even if the coach disagrees with that view (Brockbank and McGill, 2006).

Assumptions of the person centred approach

The fundamental assumption of the person centred approach is that people are predisposed to self-actualise and the aim of the person centred approach is to create an environment where the coachees can 'hear their own voice' (Cox *et al.* 2009, p. 69). Facilitative relationship conditions according to Cox *et al.* (2009) are:

1. The coach and client enter a psychological contract.

2. The client is in a state of incongruence, is vulnerable or anxious.

3. A coach is congruent and integrated in the relationship.

4. The coach has an unconditional positive regard for the client.

5. The coach understands the client's internal frame of reference and tries to communicate it back to the client.

The coach can only accept the coachee unconditionally if the coach fully understands himself/ herself i.e. they unconditionally accept themselves (De Haan & Burge, 2005). A congruent coach accepts both positive and negative feelings regarding the coachee.

Person- centred coaching techniques

The person centred approach is a non-directive technique. According to De Haan and Burger (2005, p. 71-72), the coaching conversation belongs to the coachee. Roger went as far as suggesting that the coach should avoid giving any feedback (De Haan *et al.*, 2005). Feedback always has an element of appreciation or rejection which in essence is in direct contrast to the Rogerian imperative (De Haan and Burger, 2005). The coach listens, assumes a relaxed attitude and minimally initiates conversation. The coach tries to look, together with the coachee, through the eyes of the coachee. (De Haan *et al.*, 2005). In addition, the coach says little about himself and emphasises acceptance techniques such as; a sympathetic smile, eye contact, relaxed movement and gestures that emphasise proximity (De Haan *et al.*, 2005).

Application of the person centred approach

The person centred approach is ideal for life coaching and career coaching. According to Cox *et al.* (2009) the person centred approach is ideal in life coaching when the client is failing to hear their internal voice. Using the reflective listening technique, the coachee can hear clearly his/ her own internal voice. In career coaching, person centred approach is ideal for an individual faced with numerous choices (Cox *et al.* 2009). Talking to a coach helps the client clarify ideas in their own mind.

3.3.5. The Existential approach

The existential philosophy tries to explain the human condition as a struggle between meaning and meaninglessness. According to Parsloe, Parsloe and Leedham (2009), the existential approach holds that people are endlessly trying to find out who they really are.

Rostoron, Van Rensburg and Sampoio (2009), state that the existential philosophy regards human life as unexplainable and emphasises the need for taking responsibility for one's own actions. Anxiety arises when an individual identifies themselves with their roles, refuse to take responsibility for own choices and takes society and personal reality as unchangeable (Parsloe *et al.*, 2009). The coach in the existential context helps the coachee deal with concerns of choice, freedom, power and purpose and replaces them with more empowering paradigms (Rostoron *et al.*, 2009, p. 234).

Assumptions of existentialism

The key assumption of existentialism are provided by Ravi (2011) as relatedness, the person is the centre of his own existence and experiences existential anxiety. In the context of relatedness, Ravi (2011) argues that to understand a human being, you have to understand their context. According to Ravi (2011), a human being is connected to other human beings, but different from other people especially in the choices he or she can make. With regards to being the centre of existence, Ravi (2011) argues that the society is made for the human being and the individual is the centre of existence and not truth, laws, principles or essence. In the context of existential anxiety, Ravi (2011) states that since we can't be certain about those aspects which meaning depends on, frustration, uneasiness and anxiety arise due to incompleteness and meaninglessness.

Techniques used in the existential approach

Corey (2012) states that coaching techniques are not important for this approach. The focus of the existential approach is to enhance understanding of freedom, responsibility relationships etc. According to Miller (2004) the coach can borrow techniques from other approaches.

Frew and Spiegter (2012) state that existentialists believe that an over-emphasis on technique blocks the coach's ability to understand the client's essence. However, they stipulate that, on a closer analysis, Socratic dialogue is prevalent. In Socratic dialogue, the coach explores solutions without imposing solutions (Frew *et al.*, 2012).

Application of the existential approach

Peltier (2009) indicates that existential approach has useful potential in executive coaching. Cox *et al.* (2009) highlight that the existential approach is useful when coaching people in transition at work. Usually these people find themselves in need of reconstructing an identity to match new responsibilities. Existential coaching is also useful when coaching people in crisis (Cox *et al.* 2009). This crisis could arise due to the sudden changes in personal or professional life.

3.3.6. The Ontological approach

Ontological coaching is about people who expand their way of being, to achieve sustainable change (Nandram & Borden, 2010). Nandram *et al.* (2010) state that this profound change through ontological coaching is achieved by continuous learning which allows more options to be available to the coachee in his professional life. People are likely to be more satisfied if they are living their true potential and can offer most of their skills to organisations they work for and the societies they live in (Nandram *et al.*, 2010).

A person's behaviour and perception is shaped by their personal reality which in turn is shaped by the person's relationship with themselves i.e. interplay between a person's language, emotions and physiology (Sieler & Loho, 2008). Wildflower and Brennan (2011) state that ontological coaching involves observing how the coachee uses their language, emotions and physiology to obtain results (or to fail to get results).

According to Sieler (2003), language and emotions are critical factors in perception and cognition and this provides the basics for ontological coaching. The client uses language, emotional experience and their bodies to construct meaning. Sieler (2003) advises coaches to observe these three elements for any shifts which are necessary if change is to occur.

Language is the key in revealing how the client uses it to limit or expand understanding, as illustrated in Figure 3.3. below.

Figure 3.3.: How a Coachee uses way of being to achieve Results

Source: The Zampella Group (2006:

http://www.zampellagroup.com/executiveCoachingApproach.htm)

The objective of ontological coaching is to achieve a profound transformation by changing the way of being in order to achieve lasting personal change in the coachee (www.ontological coaching.co.uk/info/ontology, n.d). The role of an ontological coach is to create a trust filled environment that allows the transformation of the coachee (Moral and Moral, 2009).

Assumptions of the ontological approach

According to Biech (2008), the overriding assumption of ontological coaching is that behaviour is not exclusively influenced by an event, communication or stimulus. Behaviour is the interpretation of those events, communication or stimuli. The client is potentially limited by the way he/ she views the world and as such, problems and solutions lie in the client's interpretation (Sieler, 2003).

Nandram *et al.* (2010) postulate that a person has the body and soul both of which need nourishing. The more the soul is nourished, the more effective an individual becomes. According to Cox *et al.* (2009) the coach must observe posture changes which might reflect changing moods as the body is where changes occur. To achieve change there needs to be congruency between what is said and the body posture.

Techniques used in ontological coaching

Biech (2008) highlights the process to be followed in ontological coaching which include establishing a relationship, observing and understanding the client's structure of interpretation, and recognising the need for coaching. Some specific techniques for this process are provided by Sieler (2003). He states that, with the permission of the client, the coach should work on changing an unhelpful posture of the client

Sieler (2003) advises also on the use of language by the client. It is important to work with the client on the language that he/ she uses when making a request and other communication. This enhances communication skills and results achieved by the client.

It is also important to explore the emotions that client experiences. According to Sieler (2003), these emotions are usually contained in the client's body and affect his/ her posture.

Applications of ontological coaching

Ontological coaching can be used in most coaching circumstances (Cox et al. 2009). These include executive coaching, skills coaching, development coaching and cross culture coaching. In executive coaching. ontological coaching can be used to explore aspects such as the language used by the executive, his emotional responses to events, posture and their impact on results the executive seeks to achieve (Cox et al. 2009). In performance coaching, ontological coaching can be used to evaluate those emotions that could be blocking the client from achieving the desired or optimal performance (Cox et al. 2009). When doing developmental coaching, ontological coaching could be used to help clients adopt relevant emotional states which help propel them in the direction they need to go (Cox et al. 2009).

3.3.7. The Narratival approach

'*People are born into stories; the social and historical context constantly invites them to tell and remember the stories of certain events and to leave others un-storied'*. Freedman and Comps 1996, p. 42).

O'Connell *et al.* (2012) state that the way people behave is affected by the stories they tell about their lives. Hargrove (2008) states that one way to look at life is the story that a coachee tells about his life, his/ her existential autography. The stories told are drawn from rich story contexts, culture and mythical narratives (Wildflower and Brenman, 2011). Coachees tell their stories based on the unconscious cultural models which dictate the supposed position of the self in the story (Moral and Moral, 2009).

Hargrove (2008) states that the coachee's story shapes, limits and defines his/her way of being and the way he/she interacts with others. If you want to change the results, then there is need to alter the story the coachee tells about his/her life. According to Drake (2010) the narrative approach to coaching is aimed at assisting the coachee to shift the story he/she tells about himself or others, in order to achieve the desired results. The narratives provide a unique opportunity to see the identity process of the coachee, which otherwise will always be invisible.

Assumptions of the narrative approach

According to Payne (2006), human nature and the self are socially constructed. The stories that people tell about themselves are drawn from rich story contexts, culture and mythical narratives (Wildflower and Brenman, 2011). The narrative approach emphasises the importance of language in shaping reality.

Shapiro *et al.* (2002) highlight that one of the major assumptions of the narrative therapy is that the person is not the problem. The problem is situated outside the individuals and within the culture. The role of the therapist is to help the client re-write some of those external problems so that they fit into the solution which the client desires.

Narrative therapy assumes that knowledge and power are inseparable (Castronova *et al.*, 2007). Dominant knowledge has dominant power in societies and people's personal stories are subjugated, leading to disempowered stories. According to White and Epson (n.d), our understanding of lived experiences is intermediated by language that is dominated by the dominant knowledge and culture (Castronova *et al.*, 2007). The narrative approach assumes that life stories are indivisibly connected. This means that our narratives about life are the summary of our lives.

Following the assumption (by Epson and White, n.d) that life is a social story, it is propounded that a large part of our lives pass by un-storied. In this sense, people's lives are much more than the stories they tell and as such, therapist work with people to 're-story' or 're-author' conversations. The re-storing helps the client escape the oppressive narrative and claim his liberty (Castronova *et al.*, 2007).

Techniques used in the narrative approach

The narrative approach stresses the importance of language and stories in shaping people's realities. There are several techniques used to deconstruct and re-author stories. These techniques are briefly discussed below:

- *Questioning* is the basic tool: Shapiro and Rose (2002) state that questioning in narrative therapy is primarily focused on uncovering meaning and emphasising the client's own interpretation of events and formulating own insights. The primary focus of the questions is to help the client to self-discover and also create more optimistic outcomes about themselves.

- *Externalising the problem*: the coach helps the client to view the problem as outside themselves. According to Shapiro *et al.* (2002) this helps create an alliance between the coach and client on one side and the problem on the other side. The client is no longer the problem, or part of the problem, therefore the problem can be solved.

- *Searching for hopeful exceptions*: this involves helping the client construct a preferred story from the problem infested existing story. According to Shapiro *et al.* (2002) this involves looking for hopeful moments in the client's story which are not consistent with the problem story that the client is living in.

- *Note taking and better writing*: the coach encourages the client to take notes of their own observation of sessions to increase own observation (Shapiro *et al.* 2002). The coach also writes a letter to the client summarising key points of a session. Certificates can also be used to recognise progress made (Shapiro *et al.*, 2002).

- *Generating an audience*: Shapiro *et al.* (2002) advise on creating a supportive audience to the client's progress. These people would be updated on the progress of the client.

- *Co-authoring*: this involves moving away from thin description of problems to assuming multiple perspectives (Castronova & Syracuse University, 2007). Detailed descriptions include descriptions of the problems with the coach maintaining curiosity about details. This helps the client explore stories differently and perhaps generate new stories which lead to solutions (Castronova *et al.*, 2007).

Application of the narrative approach

According to Cox et al. (2009) the narrative approach can be used in developmental coaching, team coaching and manager as coach. In developmental coaching the narrative approach can be used at decisive career points to explore how the client wants to present themselves and/or how they want to be experienced. In team coaching the narrative coaching can be used to sort out individuals and collective stories to address conflict and align purposes. The manager as coach using the narrative approach can improve their communication and delegation and the management of performance.

3.3.8. Cognitive Developmental approach

Fritscher (2011) states that the cognitive theory attempts to explain human behaviour by understanding the thought processes. Humans are deemed to be logical beings that make the choices which make the most sense to them after processing information. According to Cassidy, Jones and Potrac (2008), the cognitive development approach was significantly influenced by the 20th century Swiss scholar Jean Piaget who was interested in how people acquire knowledge and use it to adapt to their own world.

According to Fritsche (2011), pure cognitive development rejects behaviourism which reduced humans to machines and argues that the coachee's mental model of the situation determines his/ her behaviour in a situation. A mental model is "a representation of the way the world would be if the premises were true" (Byrne, 1992, p. 12). The impact achieved by the coachee depends on his/ her mental model in that particular situation. This is illustrated by Watkins and Leigh (2009) using the following formulae:

$$\text{Mental Model}_1 \rightarrow \text{Behaviour}_1 \rightarrow \text{Impact}_1$$

If impact $_1$ is undesirable, the role of the coach is to influence mental model $_1$ in order to change the behaviour and achieve the desired impact $_1$.

Assumptions of cognitive development

Erneling (2010) states that Piaget's main assumption was that cognitive development is a biological process and as such, happens sequentially from simple to complex to abstract. According to Ormorod (2008), Piaget assumed that children are active and motivated learners and they use experiences to construct knowledge. Piaget also assumed that interaction with one's social and physical environment is essential for cognitive development and equilibrium promotes progress towards increasingly complex thinking (Ormorod, 2008).

According to Ormorod (2008), Vygotcky assumed that adults impart culture to children and how they should respond to the world. Another assumption by Vygotcky was that language is critical especially in the early years of child development (Ormorod, 2008). The last assumption was that complex mental processes usually start as social processes which progress to internal processes (Ormorod, 2008).

Techniques used in cognitive development coaching

There are several techniques used in cognitive development coaching as suggested by Whitten (2012). The first deals with questioning methods. According to Whitten (2012) this is

Socratic questioning aimed at helping the client analyse their thoughts and opinions, in light of their objectives. Second is managing psychological changes. This is based on Whitten's (2012) premise that our physiology affects our thinking. The client is encouraged to manage these physiological states through breathing exercises, walking or running, body relaxation exercises etc. The third technique is about accepting humanity (Whitten, 2012). This includes encouraging the client to accept their fallibility, and also, to continue developing themselves and seek excellence. Another technique is developing self-acceptance. This is done to build self-confidence through worrying less about others, exploring limiting beliefs, updating self-perception etc. (Whitten, 2012). Lastly is exploring the client's potential through about thinking possibilities, setting achievable goals and overcoming hurdles etc. (Whitten, 2012).

Application of the cognitive development approach

Due to the nature of Piaget's volume of work, cognitive development coaching is mainly used in child development. According to Kuebler (2010), the cognitive development approach can be used in developing kids 'physical', emotional and social skills.

Cognitive development can also be applied to reduce a client's constant negative self-talk (Schulz, 2006). This is done using a log to keep track of negative thoughts, noting impact of these negative or dysfunctional thoughts.

3.3.9. The transpersonal approach

The transpersonal approach has its origins in transpersonal psychology. Passmore (2010) states that the transpersonal approach is a systems approach which recognises the interconnectedness of people, families, organisations and communities. This approach recognises people as yearning for something beyond the personal, beyond the material and beyond the everyday things (Passmore, 2010).

The overarching goal for transpersonal coaching, according to Signor and Stillman (2007, p. 63) is to 'guide one through the act of conscious self-transformation' to a preferred state of trust, love, self-acceptance etc. It is to help an individual move towards self-actualisation as propounded by Maslow, one of the founding fathers. Growe (2004) defines self-actualisation as a state when an individual is unburdened by the deficiencies of his own personality such that he can enjoy the world without attachments and be of service to others without being self-righteous. According to Assagiolic (1991), the term transpersonal is neutral and points to what is beyond the personal but which is pseudo-spiritual or para-psychological.

Assumptions of the transpersonal approach

The transpersonal approach has several assumptions. These assumptions are based on the work of Cortnight (1997). The first assumption is that our essential nature is spiritual. The transpersonal approach gives priority to the spiritual nature of life but also accepts as valid our psychological nature. Secondly, consciousness is multi-dimensional in the sense that spiritual experiences can lead a person into expanding consciousness into other levels of consciousness which are currently impoverished. The third assumption by Cortnight (1997) is that people have a natural urge towards the spiritual and seek to find wholeness. In this sense, life is seen as 'a large quest for spiritual union' (Cortnight, 1997, p. 17). The fourth assumption is that it is helpful and possible to contact a deeper source of wisdom and guidance. Fifthly, a person's altered states of consciousness can be an aid to healing and growth.

According to Boorstein (1996), in the transpersonal approach it is assumed that the desired progress towards an ultimate state is continuous in every person though at times unconscious. The realisation of the ultimate state depends on the path chosen and the person encountering suitable conditions on a path freely chosen (Boorstein, 1996).

Techniques used in the transpersonal approach

There are several techniques which can be used in the transpersonal approach. Passmore (2010) encourages the use of this approach to a coach who is also on the same transpersonal journey. The techniques mainly used in the transpersonal approach are guided imagery, music therapy and meditation. Passmore (2010) provides two approaches to guided imagery, namely evocative and directive. Evocative imagery involves using an image stored in the coachee's mind to deepen an understanding of the situation. Directive imagery is mostly guided imagery. According to Passmore (2010) imagery is used to expand awareness. Crove (2004) states that, music therapy can be used to gain transcendent insights and experiences. This can be achieved through passive listening or spontaneous music making (Crove, 2004). Meditation can be used only after the individual has acquired full mastery of the ego (Vryrite 1996).

### Application of the transpersonal approach

The transpersonal approach can be used to solve a problem, improve task performance, becoming a more effective manager, being more creative, finding the right career path and living a more balanced life (Passmore, 2010). As can be inferred from Passmore (2010), the transpersonal approach can be used in a lot of coaching contexts.

3.3.10. The Positive Psychology approach

The positive psychology approach is a break from the years of pathological approaches to psychology. Snyder, Lopez and Pedrotti (2010, p. 3) state that in positive psychology, the question "What's wrong with people?" is replaced by a search for their strengths. According to one of the founding fathers of positive psychology Martin Seligman, in spite of all the strides is psychology in curing mental illness, we have all become a "victomology" and our genius is all forgotten (Snyder et al., 2010, p. 3).

Linley and Harrington (2005) state that, positive psychology is underpinned by the belief that people are motivated by socially constructive directive forces and should be provided with an opportunity to grow. Laws, Ireland and Hussain (2007) describe three pillars of positive psychology as; positive emotions (about a pleasant life), positive character (an engaged life) and positive institutions (meaningful life). This approach is about building and making use of one's strengths (Brennan and Gortz, 2007). The elements of positive psychology are illustrated in Figure 3.4.

Figure 3.4.: Elements of positive psychology
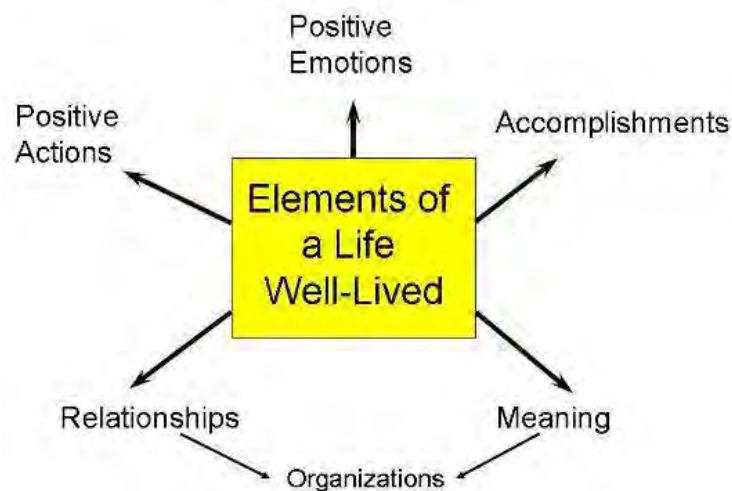
Source: Maymin K and Britton S (2010), Three Years of Positive Psychology News**,** http://positivepsychologynews.com/news/senia-maymin-and-kathryn-britton/2010040210397 **[accessed 1/6/2014]**

Central themes in positive psychology include resilience, optimism, hope, forgiveness, varicosity and emotional intelligence (Case, 2012). It focuses on facilitating happiness and well-being, engaging in absorbing activities and developing meaningful positive relationships social systems and institutions (Carr, 2012).

Assumptions of positive psychology

According to Marini and Stebmicki (2008), positive psychology challenges the disease model and focuses on human strength and potential. The basic assumption of positive psychology is of human excellence and goodness (Marini *et al.*, 2008). Several other assumptions of positive psychology are provided by Magyar Moe (2009). The first assumption is that all people are prone to mental illness but have an inherent capacity for happiness. Secondly, clients are autonomous and growth oriented. Thirdly, a client's strength and positive emotions are as genuine as his or her weaknesses and pathological states. Lastly, a pleasant life can only be experienced when people experience positive emotions about their lives.

Techniques used in Positive Psychology

There are four guiding principles in positive psychology which guide the techniques selected (Miller, 2010). These guiding principles are; changing focus from negative to positive, using strengths based language, balancing between positive and negative and developing hope-building strategies.

In line with these guiding principles Miller (2010) provides techniques such as gratitude visit, three good things, using signature strengths and identifying signature strengths, which can be used with positive psychology. Gratitude visit involves the client writing a letter to someone they have never thanked before for their kindness. In using three good things, the client is encouraged to write a story about when they were at their best highlighting the strengths in the story. When using signature strengths the client identifies his/ her strengths and chooses five top strengths and uses one of these strengths in a unique way in a week. The client can also identify their top strengths and use them as much as possible in a week.

Application of positive psychology

Lopez *et al.* (2011) state that life coaching became the easy place for the application of positive psychology. This could be ascribed to the many easy techniques which the coachee can use by themselves.

The positive psychology approach is also used to help organisations identify their own strengths (Parsloe *et al.*, 2009). This would help the organisation exploit their strengths or identify their competitive advantage. Other applications of positive psychology as provided by the University of Pennsylvania (2007) include children education, family therapy, improving work satisfaction, helping organisations discover a way to improve trust, communication and altruism and improving moral character of society.

3.3.11. The Neuro-Linguistic programming (NLP) approach

The neuro- linguistic programming (NLP) approach is a very popular approach. Passmore (2010) ascribed its popularity to the tools it uses that produce quick and excellent results. Rehs (2008, p. 12) describes NLP as eclectic, having borrowed extensively from other fields. Much of the coaching results are achieved under classical conditioning, called anchoring. Anchoring in NLP is connecting emotions directly to external experience.

According to Linder- Pelz (2010) the overarching goal of the NLP coaching is to maximise the ability of the client to respond resourcefully to different situations. This is done through increasing the choices they have available to them.

The coach's original mission is to help the client become aware of their own approach to a situation (Linder-Pelz, 2010). The outcome of the coaching experience is increasing the client's thinking and make more options or resources available to them to solve problems or deal with the specific situation.

The four pillars of the NLP according to Passmore (2010) are; establishing and maintaining rapport, goal orientation, heightened sensory acuity and behaviour flexibility. This approach, unlike other coaching approaches, offers coaches linguistic tools to understand what the coachee is saying. Passmore (2010) states that from experience, coaches who take NLP training also become more precise in their work.

Assumptions of the NLP

Shah (2011) discusses several NLP assumptions namely:

(a)   There is a structure to experience and we all have thinking patterns. If we alter our thinking patterns we literally change our experience which will also have an impact on what we think about the past (Shah, 2011).

(b)   The meaning of your communication is the response you get. The meaning of any information is filtered through an internal mental frame of reference (Shah, 2011).

(c)   Distinctions we make about the environment, experiences and behaviour happens throughout the five senses- sight, taste, hearing, smell and feeling (Shah, 2011).

(d)   We possess all the resources within ourselves to create change from our vast storage of thoughts, feelings, memories etc. (Shah, 2011).

(e) The map is not the territory: we can never know reality (Shah, 2011). All we know is how we perceive reality. It is not reality that limits or empowers us, it is our perception or map of reality.

(f) Behind every behaviour there is a positive intention. Even self-harming or negative behaviour is rooted in positive intent to mask mental or emotional pain (Shah, 2011).

(g) The mind and body are parts of the same system and as such what affects one, affects the other. All systems in nature seek a balance or homeostasis. If you control your thoughts, you can control your mind and then your body (Shah, 2011).

(h) Everything about you is sending out a message, for example, eye movements, body language, tone and pitch of your voice, habits, behaviours etc. (Shah, 2011).

(i) Results come from a particular behaviour (Shah, 2011). If you want a different result, you need to change the behaviour.

(j) If someone can do something, anyone else can learn to do it and through modelling you can achieve similar results (Shah, 2011).

(k) We make best choices/decisions available to ourselves through experiences (Shah, 2011). Limited experiences limit our choices/decisions and vice versa.

Techniques used in NLP

The core technique used in the NLP is modelling. According to Linder-Pelz (2010) modelling basically tries to replicate another person's behaviour through answering questions of what they do (behaviour) how they do it (the thought process) and why they do it (beliefs). Modelling is done through trying to replicate what another person is doing effectively.

Another technique used in the NLP is precision questions. Precision questions according to Linder-Pelz (2010) helps the client to clarify what they are deleting or distorting from their frame of reference. Precision questioning helps cut through fuzzy thinking and aim for a precise outcome (Linder-Pelz, 2010).

The NLP coach also focuses on the client process and not content. According to Linder-Pelz (2010) NLP coaches help clients access, increase or change their internal representation, language and physiology in an effort to change behavioural patterns.

Another technique used in the NLP is detecting client patterns or strategies. According to Linder-Pelz (2010) the client strategy refers to 'the sequence of internal representation that leads to an outcome'. The coach helps the client change unhelpful strategies and adopts helpful ones through listening to their language and voice qualities. The coach can identify the mental loops of the client which lead to a stuck state and then helps them sequence internal visualisation to avoid the stuck states.

Anchoring is also one of the NLP techniques used in coaching to achieve change. According to Elston and Spohrer (2009) anchoring is 'when an emotional state is so strongly associated with a stimulus, that the object or event is associated with that state from thereon'. A coach can use an anchor in order to help a client change their attitude and subsequent behaviour about performing a task. Anchors can be visual, auditory or kinaesthetic.

Application of NLP

NLP is used for a multiple of purposes. According to the NLP therapy website (2009) many people start using NLP therapy after they have tried and failed with other types of therapy. Some of the uses of the NLP are dealing with sensitive issues, fears and phobias, performance coaching,, stress reduction and weight loss (NLP therapy website, 2009).

3.3.12. Transactional analysis approach

The transactional analysis approach has some components which can be useful in the coaching process (Wilson, 2007). The transactional analysis approach purports that at any given time a person communicates using three observable ego states namely parent, child and adult (Wilson, 2007). The parent ego state refers to a collection of events experienced by a child from a parent figure in the first five years of their lives which were recorded without question. These actions include controlling tactics, bullying, critical, judgemental and finger wagging. The child ego state are emotions which a child felt as a result of external events. These include sadness, tantrums, giggling and baby talk. The adult ego state is evaluative of the other states, reaching conclusions of its own based on information available. The adult state is straight-forward, attentive, non-threatening and not threatened.

The transactional approach focuses on creating the appropriate ego state to solve a problem or create a relationship. Parsloe and Wray (2009) states that according to this model people fluctuate between these states as illustrated in Figure 3.5. and Figure 3.6. below.

Figure 3.5.: Complimentary transactional states
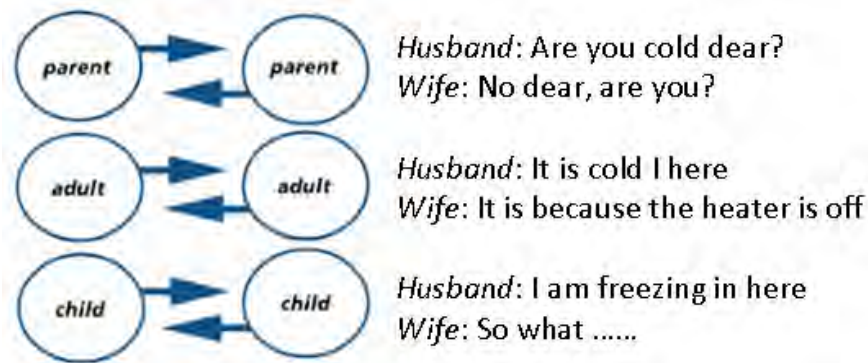
Adapted from Mall M and Stringer B (2002),

Figure 3.6.: Crossed transactional states
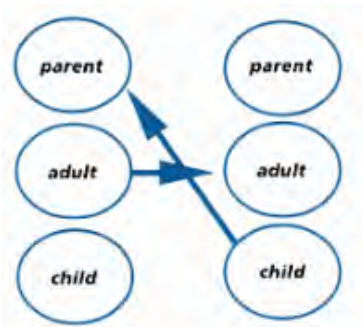
Adapted from Mall M and Stringer B (2002)

Assumptions of transactional analysis

The transactional analysis has several key assumptions. The following brief explanation of the core assumption is based on International Transactional Analysis Association (ITAA) Development Committee task force (2000).

People's interactions are like transactions which are based on stimulus and the response. These interactions are based on 3 ego states, namely 'the child', 'the parent' and 'the adult' (International Transactional Analysis Association, 2000).

In a *child state* the client does not put up an act of an 8 year old but they think, feel, see and act like one. There are several child states which include the natural child, little professor and adopted child. The child state is usually observed in adults at sports events

The parent is like a tape recorder using pre-coded, pre-guided codes for living. The parent decides without reasoning what is right or wrong and could be a critical parent or supportive parent.

The adult state acts like a computer, making decisions based on data and logic available. The adult state helps slow down the emotional run over by either the parent or child states.

The transactional analysis also assumes there is a physical or emotional touch in human relationships which Steiner (2000) calls 'stroking'. According to Steiner (2000), that stroking is the level of recognition given to the other party. Stroking could be physical or verbal and all people need recognition to survive and operate optimally (Steiner, 2000).

Techniques used in transactional analysis

The transactional analysis employs several techniques. These according to Araga (1996) include script analysis, games analysis, life positions, family modelling, roleplaying and structural analysis. Script analysis involves reading covert as well as overt content of the client's communication (Steward, 1996). This includes listening for sighs, grunts, hand actions and other no verbal clues. Games analysis requires an in depth understanding of the client motivation and unconscious conflict (Widdowson, 2009). Life positions are perceptions of personal positions against others. People have a preferred position when they deal with others. The life positions are illustrated in Figure 3.7. The positions according to Corey (2009, p. 116) are made as a result of childhood experiences which shape how people feel about themselves and their relationship with others.

Figure 3.7.: Life's four positions

I'm not OK You're OK	I'm OK You're OK
I'm not OK You're not OK	I'm OK You're not OK

Mountain Associates (2012). *Life Positions and The OK Corral*. http://www.mountain-associates.co.uk/life_positions.html

In family modelling a client is asked to imagine a scene which has many significant people in his/her past (Corey, 2009). The client positions these people accordingly. This would help heighten awareness of a specific situation and its meaning on the client. Structural analysis involves the client becoming more aware of their own states of parent, adult and child. According to Corey (2009) this technique is useful to help the client resolve patterns they are stuck with based on knowledge of ego states.

Application of transaction analysis

The transactional approach is used in several different like psychotherapy, educational, organisational training, counselling and consulting (Corey, 2011). In education, transitional analysis can be used to evaluate the relationship and communication between the teacher and students (Maryal, 2009). In training, transactional analysis teaches people how to send clear messages to their counterparts and minimises destructive habits (Fajardo, 1997). Through learning about transactional analysis and practising using it in a group first, the client gains a deeper understanding and can use it to change their own behaviour (Corey, 2009). Transitional analysis can be used in both life and business coaching (Wilson 2011).

Having discussed the twelve theoretical approaches to coaching, the next section explores the Gestalt approach to coaching and how it is the most appropriate approach to financial advisor empowerment in the life assurance industry.

3.4. The Gestalt approach

3.4.1. Introduction

The Gestalt theory has both Eastern and Western influences. The Eastern philosophies which influenced Gestalt include Taoism and Buddhism and these are concerned with the acceptance of whatever is currently happening in the client's life and trusting the natural flow of events (Brownell 2010). According to Brownell (2010), the Western influence ranges from Christianity, Judaism, philosophy and science. The Gestalt therapy, according to Cox *et al. (*2009) was also influenced by psychoanalysis, field theory, existential philosophy and the humanistic therapy movements.

In Gestalt psychology, each person is deemed as an exploring, adapting, self-reflecting, interacting social and physical being in the process of continuous change (Parsloe & Leedham, 2009). The work undertaken by German psychologists, Max Wertheimer, Wolfgang Kohler and Kurt Koffka highlighted that people understand reality from their current and historical perspectives. According to Parsloe *et al. (*2009), every person's life is filled with many Gestalts- temporary 'cycles of experience' that form, complete and dissolve and problems only emerge when these cycles are broken i.e. not completed or blocked.

According to Bowman (1998, p. 106) Gestalt therapy 'is a process.. of improving one's contact with the community and the environment in general.. through authentic dialogue between the client and the therapist.' In the next section, the history of Gestalt therapy is discussed.

3.4.2. History of Gestalt therapy

According to Parsloe *et al.* (2009), the Gestalt approach was originated by Fritz Perls (1893-1970) in which he propounded that each person is an exploring, adapting, self-reflecting, interacting social and physical being. The ideals of Gestalt therapy were first published in 1951 by Frederick and Laura Perls, Relph Hefferline and Paul Goodman in their book *Gestalt Therapy: Excitement and Growth in the Human Personality* (Walker, 2008). Their publication, according to Walker (2008) was a significant departure from the psychoanalysis theory of that era.

Fritz and Laura Perls underwent psychoanalytical training first in Berlin and subsequently in Frankfurt and Vienna (Wulf, 1996). Perls shared with Karen Horney the mutual roots of the Bohemian Berlin era as well a passion for the theatre and a holistic view in therapy that led them both to work with the patient as a whole person and to the study of Zen-Buddhism (Wulf, 1996).

According to Wulf (1996), the term "Gestalt" was originally coined by the Viennese Graf Christian von Ehrenfels in which, a Gestalt was intended to refer to a psychical whole, formed by structuring the way one perceived the field. The concept of the whole came from the influence of Jan Smuts' 1927 book Holism and Evolution (Wulf, 1996). According to Wulf (1996), in that book, Smuts considers the person to be a self-regulating entity.

To have a better appreciation of the history of the Gestalt therapy many writers have highlighted the contribution of several theories. These include psychoanalysis, psychology (holism and field theory), philosophy (existentialism, phenomenology and eastern thought), and social upheavals (war, fascism and anarchy) (Walter, 2008). The influences of these fields to Gestalt therapy is briefly discussed below:

The influence of Psychoanalysis

Both Fritz and Laura, some of the founding fathers of the Gestalt theory, trained as psychoanalysts (Walter 2008). They then broke away from orthodox psychoanalysis (Walker 2007). According to Wedding and Corsini (2013) there are several basic tenets shared by contemporary psychoanalysis and Gestalt therapy. These include the emphasis on the whole person and sense of self, an emphasis on thinking process, subjectivity and affect.

Other shared dimensions between psychoanalysis and Gestalt therapy, as stated by Wedding and Corsini (2013) are the impact of life events on personality and a belief that people are motivated towards growth rather than regression. Both psychoanalysis and Gestalt theory

hold that a child is born with a basic motivation and capacity for personal interaction, attachment and satisfaction, in addition to the belief that there is no 'self' without the 'other' (Wedding and Corsini, 2013).

Lastly, both psychoanalysis and Gestalt therapy argue that the structure and content of the mind are shaped by interaction with others rather than instinct. Gestalt was also influenced by holism, as discussed below.

The influence of Holism on Gestalt psychology

The fundamental principle of holism is that an organism is a self-regulating entity (Wedding and Corsini, 2013). Max Wertheimer in 1912 challenged the prevailing thought of that time which emphasised deconstructing the whole and focusing on small elements (Walter, 2008). He proposed a 'Gestalt' which means whole or unified. Reality is not reached by adding the small fragments together, but consideration of the whole perceptual field (Walter, 2008). According to Walker (2008), the holism theory states that instead of making sense using purely sensing information, our brains are wired to find patterns and similarities.

The influence of Field theory on Gestalt psychology

Yontef (1993) stipulates that field theory is the cornerstone of Gestalt therapy and field therapy provides the concept of interconnectedness i.e. people exist as part of an environment. In Gestalt therapy, people are always part of an 'organism-environment field' and they always exist as part of a relational field and not as separate from the field (Woldt and Toman, 2005, p. 151). According to Brownell (2010), field theory is a way of conducting research which Gestalt therapists use in their practising of psychotherapy.

The influence of experimental psychology on Gestalt therapy

Wilhelm Wundt introduced the rigour of scientific enquiry into psychology (Woldt & Toman, 2005). The thoroughness of Wundt benefited Gestalt methodologically (Woldt *et al.,* 2005).

The influence of philosophy on Gestalt therapy

According to Woldt *et al. (*2005), Laura Perl spent several years of study and grounding in the philosophy of Kierkegaard and Heidegger amongst others. Philosophy offered Gestalt a system of value and method, flexibility and adaptability (Woldt *et al.,* 2005). One issue about philosophy which is relevant to Gestalt therapy is the philosophical innovation by Immanuel Kant who defined phenomenon as the way an object appears to the subject (Brownell, 2010).

This is in line with Gestalt therapy that knowledge is influenced by experience and not a product of an independent mind.

The influence of world war and the rise of fascism on Gestalt therapy

Fascism and the Second World War had a significant impact on Gestalt therapy. Sommers-Flanagan et al. (2010) states that, the rise of fascism, Holocaust and the Second World War are the most influential factors in the development of Gestalt therapy. Historically, most of the significant contributors to Gestalt were forced to flee their homelands in search for safety and freedom from fascism (Woldt *et al.,* 2005). There was unmitigated suffering from the war which called for the creation of a new vision for people underpinned by social responsibility and compassion for others.

3.4.3. Assumption of Gestalt therapy

The basic assumption of Gestalt, according to Rubin (2001), is that people can deal effectively with their life problems. The coach helps the client to be in the here and now, so that the client finds their own meaning and interpretation to current events (Rubin, 2001). Learning takes place by discovery and formation of new insights as the client interacts with the environment through increasing own awareness (Yontef, 1993).

Another assumption stated by Melmik and Nevis (2005) is that people work to the best of their ability. This means people are not fundamentally lazy, but try their best. The therapist's responsibility is to help them achieve their best (Stevenson, 2005).

Gestalt coaching assumes that, if the coachee is more self-aware, he/she is likely to achieve the desired goals (Cox *et al.,* 2009). According to Stevenson (2005), the coach is an awareness expert focusing on the present. The goal is "to be as fully present with oneself and with the client as possible, thereby enabling new awareness in the client system" (Stevenson, 2005, p. 35).

Another important Gestalt therapy assumption is that the therapist must acknowledge the client's current reality before they can try to change it (Siminovitch & Van Eron, 2006). According to Yontef (1993, p. 54), the therapist takes the role of a participant observer of current behaviour and a catalyst for the patient to experiment with, while the therapist provides "safe emergency landing", in the event of failure of new experimented behaviour.

In Gestalt therapy, a coach can only fully understand individual behaviour if he understands the context within which the client operates (Cox *et al.,* 2009). Yontef (1993) states that the

therapist uses past and potential future events to understand how the client copes with situations.

Gestalt therapy assumes that awareness of the current reality provides opportunities for growth (Saner, 1999) and the therapist encourages the client to grow (Rubin, 2001). The goal of therapy is maturity, which according to Yontef (1993), is the client being able to self-support. This is the transition by the patient from a place where he/ she is being supported by the therapist to becoming self-reliant and contacting other relevant people to resolve own problems.

In Gestalt, the coach strives to be authentic but not objective; accepting that both the coach and client will emerge from the coaching process, changed (Rubin, 2005). In a coaching process, this would be in line with the agreed goals of the coaching.

3.4.4. Goals and task of Gestalt

Snetselar (2009) states that the major goal of Gestalt therapy is to make the client aware of their current experiences, take responsibility and make the necessary changes. The therapist is not a change agent who makes change happen, but he/ she creates the conditions that allow growth to happen, conditions which focus the client's attention where growth is needed (Woldt and Toman, 2005). In the words of Brownell (2010, p. 24), "Gestalt therapy's main goal is to bring healing and growth through understanding the meaning that the client gives to people and events in her life".

Another goal highlighted by Bryan (2009) is that Gestalt therapy brings more awareness which brings with it greater choice to the client. Awareness includes self-awareness, accepting self and the ability to make contact (Bryan 2009). As one of his tasks, the therapist requests the client to examine moment to moment the 'here and now' (Mann, 2010). According to Woldt and Toman (2005) this is being aware of whatever forces are operating in the client's environment, own them and in this way be in control of the choices made.

Another important goal of Gestalt therapy is to give the client the means to solve his own problems when they arise in the future (Savard, 2008). This is achieved by helping the client appreciate and use all the resources at his own disposal, which help in solving the problem.

Mann (2010) highlights that it is not the coach's task in Gestalt to interpret or explain the client's behaviour. The therapist is there to make the client aware of his or her behaviour. The core characteristics of Gestalt therapy are discussed below.

3.4.5. Core characteristics of the Gestalt Approach

According to Cox *et al. (*2009) the distinguishing feature of Gestalt is its focus on awareness and its impact on achieving effective behaviour and a healthy lifestyle. The primary focus is on awareness of the present. The coach, according to Cox *et al. (*2009), should be an awareness expert and use of self as key determinant.

Saner (1999) states that Gestalt approach holds that with optimal awareness a client can be directed into a new way of seeing and acting. Robust awareness energises the client to take relevant action which leads to attainment of goals.

In Gestalt, the subjectivity of both the therapist and the client are valued (Yontef and Jacobs 2007). The Gestalt therapist is more likely than not, to self-disclose in a coaching relationship. The Gestalt therapist reports internal experiences to the client as a way of raising awareness of the effect that the therapist and client have on each other, and then asks the client question as to how his actions are impacting the client (Stevenson, 2005).

Stevenson (2005) states that the therapist can also use introjection, that is, internalise the client's experience in order to understand what the client is going through. The therapist then uses the information he *introjected* to provide useful insight to the client.

Yontef and Jacobs (2007) argue that Gestalt has two striking similarities to the person centred approach i.e. the therapist is compassionate and kind; and the therapist does not have an objective reality about the client's experiences. The therapist tries to be person centred without judgement or blame (Stevenson, 2005).

3.4.6. Techniques used in Gestalt therapy/coaching

Corsini and Vedding (2010) state that Gestalt therapists believe that their contact with a client sets the stage for development. They further declare that the Gestalt theory has greater styles and modalities than any other type of therapy.

Many methods in Gestalt therapy involve personal experience which usually starts as a role play (Race, 1995). According to Okun and Kantrowitz (2007) in role playing for Gestalt the focus is on extracting certain current experiences from the role play. The coach refuses to allow the client to intellectualize the experience or day dream, but to experience it in the now (Okun and Kantrowitz, 2007).

Another Gestalt technique is dialogue. According to Cox *et al. (*2009) the coach listens with empathy to the client allowing the life and experiences of the client to move him/her. The

coach and client transcend the "I – It" relationship where the client could be talking to anyone to "I – thou" relationship which is based on connecting (Cox *et al.* 2009). According to Cox *et al. (*2009), the challenge to the coach in the "I-thou" relationship is in letting go of the need for certainty and control. The qualitative difference between interactions based on I-thou and I-it relations has been recognised since being first documented by the philosopher Martin Buber (Buber, 1923).

Corsini *et al. (*2010) state that one common technique in Gestalt is focusing. The essence of focusing in Gestalt is an attempt to have the client experience the present- the client focuses on his/her awareness (Corsini *et al.,* 2010).

Imagery is another technique used in Gestalt, which is generally overused by novice practitioners (Nevis, 1996). Imagery is used to induce greater awareness and explore middle unconscious (Nevis, 1996). The middle unconscious is the area of the person's being in which experiences, learnings, gifts, and skills are integrated to form the foundation of our conscious expression in the world (Firman and Gila, 2010).

3.4.7. Application of the Gestalt approach

According to Cox *et al. (*2009) the key strength of Gestalt lies in its optimism. Life is chaotic, and people encounter complexity which dulls their optimism. Gestalt tries to help them reflect on how they can stay optimistic, positive and healthy.

Berven and Thomas (2004) state that Gestalt therapy can be used in rehabilitation clients living with disabilities, addressing anger, denial and depression. Clients become more aware, using Gestalt approach, of their feelings and find ways to achieve greater happiness and fulfilment in the future.

Gestalt therapy can also be used in different types of psychological disorders like depression. Sharf (2011) states that Gestalt approach can be used to identify the fluctuation of moods of the client during therapeutic sessions. The therapist can use Gestalt techniques to move the client from hopelessness to more resourceful states, through identifying the nature and causes of depression (Sharf, 2011).

According to Sharf (2011), Gestalt therapy can be used to treat posttraumatic stress. In posttraumatic stress, events of the past might be preventing the individual from developing full awareness of the present, which ultimately affects the client's life (Sharf, 2011).

Gestalt therapy has also been used in substance abuse. The hallmark defence of substance abusers is denial, and Gestalt therapy can be used to help them become more aware of themselves, their denial and relationship to others (Sharf, 2011).

3.4.8. Applying Gestalt approach to Financial Advisor coaching

In a sense, the principles of Gestalt therapy (raising self-awareness) underpin good coaching and mentoring (Cox et al., 2009). Additionally, Gestalt therapy advocates the creation of choice, optimism and growth and development emerge from contact and awareness (Simon, 2009, p. 232). These are qualities needed to be a successful financial advisor.

Another aspect of Gestalt therapy which could be used in financial advisor coaching is being able to listen without judgement (Stevenson, 2005). This helps the client to be able to listen to themselves impartially (Stevenson, 2005) as well as to listen to their clients during the financial planning process. There are two fundamental steps in the financial planning process which need impartial listening. The two steps are establishing a professional relationship with the client and gathering data (Chartered Financial Planner Board of Standards, 2009).

Gestalt therapy is strong on promoting presence, the client and therapist being in the here and now, not 'past interpretations' or 'future fantasies' (Stevenson, 2005, p. 38). This is useful in financial advisor coaching, as their skills evolve. Financial advisors should be able to determine on their own whether their present behaviour serves the task at hand or detracts. This is important for a financial advisor as he or she is mostly managed on results in the form of new clients and value of sales made (Stevenson, 2005).

One aspect which the financial advisors have to manage or get rid of is the fear of rejection during the customer prospecting process. This would benefit from a Gestalt approach of holding space. According to Stevenson (2005), holding space can be achieved through bare attention which creates a safe psychological environment to promote self-expression. Alternatively, holding space is also when the coach is aware of client anxiety in an interaction and holds out patiently that anxiety until the client can articulate the 'subconscious, unspoken, perhaps unspeakable, source of anxiety' (Stevenson, 2005, p. 39). Using holding space, the coach creates a safe environment where the financial advisor could experiment with overcoming their fear of rejection.

Having explored how Gestalt therapy could be used in financial advisor coaching, the next section evaluates the Gestalt approach.

3.4.9. Evaluation of the Gestalt approach

Benefits

According to Cox *et al. (*2009), the Gestalt approach helps the coach understand how to project himself/ herself in the coaching relationship as this significantly impacts the coaching results. If the coach projects a person who is empowered, the client is likely to feel empowered to take desired action.

Gestalt therapy increases the coachee's awareness of interdependence (Ginger, 2007). Ginger (2007) argues that, people have opposite sides (polarities) which if unified would lead people to realising their true potential. Using the Gestalt approach, the coach can help the coachee unify these opposing sides.

The coach who uses Gestalt therapy helps the client view the situation as a whole, a "field of unique present experience, 'here and now', to find a new original solution" (Ginger, 2007). This in turn improves the solution which the client will come up with, as the solution is emanating from a wider understanding of the situation (as opposed to a narrow understanding).

A comparative study by Beutler et al (1991) in which gestalt was compared to cognitive therapy, Gestalt was found to be more effective in treating depressed people (O'Leary, 2013). O'Leary (2013) further states that, this higher effectiveness found in this particular study is consistent with other studies.

O'Leary (2013) states that the post therapy situation for Gestalt is better than other comparative therapies. While clients from other therapies report maintaining the progress made during therapy, gestalt clients report improvement in other areas of their lives, in addition to the targeted improvement.

Challenges

The Gestalt approach suffers from a lack of a well-articulated theoretical base as it is mainly based on empirical studies (Jones-Smith, 2008). Jones- Smith (2008:) states that the Gestalt approach is also too concerned with the current experiences at the neglect of the client's past experiences. A coachee's current problems could be mainly emanating from past experiences, influences and habits.

After highlighting how Gestalt therapy is the most appropriate coaching approach to financial advisor empowerment it is important to understand coaching. The next sections provides

background to coaching by firstly discussing how coaching differs from other interventions like mentoring, counselling, training and management, secondly different types of coaching, thirdly, different types of coaching, coaching models and techniques.

3.5. Coaching in Context

Coaching is part of a group of human resource management interventions which according to De Vries, Guillén, Korotov and Florent-Treacy (2010, xxvii), aims at making people "feel empowered to experiment and improve themselves and the organization". The life assurance company has to choose from potential interventions such as mentoring, training, counselling and management and determine each intervention's appropriateness in the South African These interventions, though different, complement each other and have their appropriate application in organisations. This section focuses on differentiating coaching from these other interventions.

(a) Coaching vs. mentoring

Smith, Van Oosten and Boyatzis (2009) define mentoring as an intense relationship between a senior manager and protégé, where the senior manager assists the protégé to enhance the protégé's career or professional development. Coaching is a sub-category of mentoring (Smith *et al.*, 2009). According to Allen and Ebby (2010) mentoring includes activities such as sponsorship, exposure, visibility and coaching by a senior manager.

There are further subtle differences between coaching and mentoring namely; length of time, focus and relationship of parties. While coaching is short term, about 6 months on average, mentoring lasts much longer, an average of 2 years (Clutterbuck, 2009). Cull (2006) states that the mentor needs to spend a longer period with the protégé to build a good relationship.

Mentoring has a much broader focus than coaching. Ellinger and Bostrum (1999) state that mentoring includes clearing the path for the mentee, while coaching is focused on improving work performance. Similarly, Starcevich (2009) highlights that mentoring is focused on the individual, his career development and life in general; while coaching is much more focused on task and work performance.

In a mentoring relationship, the mentor usually has a high degree of experience while a coach usually has the technique to help the coachee achieve the desired result (Abbott, Stening, Atkins & Grant, 2006). In a way, it can be argued that the mentor uses his experience and influence to help the protégé's career and development progress. This includes the mentor shielding the mentee from potentially damaging influences in the organisation (Gray and Goregaoker, 2010). In this sense, the mentor helps the mentee survive the organisation's political life without committing career damaging mistakes.

Veale's (1996) research into Coca-Cola revealed that while coaching is goal specific, and could be done in the hierarchy, mentoring is done by someone whom the employee does not report to. A similar line of thinking is reinforced by Starcevich (2009) who states that mentoring is free of power, where the mentor cannot compel the protégé, but lets him/ her find solutions for themselves.

Both coaching and mentoring focus on asking questions and not offering solutions, thus forcing the other party to think (Clutterbuck, 2009). Bokeno (2009) is critical to distinguishing coaching from mentoring as mentoring should include mentee coaching. Allen *et al.* (2010) point out that there is a need for further research to clear the confusion which arises from the use and meanings of the terms coaching and mentoring.

(b)   Coaching and Training

Coaching and training are terms used interchangeably in day to day conversations; however they have significantly different meanings. According to Wilde (2009) in training the trainer has a monologue whereby the trainee assumes the position of passive listener. In coaching there is a conversation between the coach and coachee. Some trainers include participative techniques in training like group work, presentation and role plays to reduce the monologue, however the overriding structure is that the trainer has the answers. Wilde (2009) argues that training only deals with increasing skills and knowledge of trainees while coaching explores how to maximise a coachee's potential.

Other differences between training and coaching pertain to customisation, timeframes and measurements. Bianco-Mathis, Roman and Nabors (2008) highlight that training usually takes a shorter period than coaching, and has low levels of customisation. Coaching is customised to individual needs and requires individual progress measurement, whereas training focuses on accomplishing stated learning objectives.

The other difference between coaching and training is on the approach used to get results. While training basically revolves around telling the trainee what to do, coaching relies on asking the right questions to encourage the coachee to get results on their own (Group Publishing, Narren, McLaren & Maxwell, 2007). Coaching highlights the problems being faced and encourages the coachee to look for relevant answers, while training provides most of the answers to the problems being faced.

(c)   Coaching vs. Counselling

Though coaching and counselling are different, there is significant overlap between them. Orlans (2008) states that the differences are heightened by the need by both sides (coaching and counselling) to achieve a clearly distinct professional position. In a way, coaching borrows from counselling approaches and psychology. The differences between counselling and coaching are discussed next.

The time orientation of coaching and counselling are significantly different. While counselling is mainly concerned with the problems which occurred in the past, coaching tends to deal with the here, now and the future (Narren *et al.*, 2007). When coaching deals with what occurred in the past, the intention is to clear the path for the desired improved future performance.

There are also different connotations associated with each intervention. Counselling is associated with fixing people who are broken, while coaching is deemed to aim at enhancing their performance (Fairley & Stout, 2010). In other words, despite the similarities between coaching and counselling, the latter has therapy and healing connotations. Orlans (2008) however argues that this differentiation does not take full account of different types of counselling, some of which are not pathological in orientation.

Ellinger, Hamlin and Beattie (2008) state that counselling deals with short term emotional states which are the source of personal crises. On the other hand, coaching's main focus is arousing emotional states which lead to superior performance.

The level of skills in the subject matter could also be used as a differentiating variable between coaching and counselling. Kariv (2011) states that counsellors in business are usually experts in the subject matter while coaches use different techniques to help the coachee find solutions themselves. In other words, coaches are experts in technique as opposed to subject matter.

(d)   Coaching vs. management

There is a significant difference between coaching and managing, mainly due to the differing cultures subsumed (Planned Success Institute, 1998). In management, the manager sets expectations as it is assumed that he has superior knowledge, on the other hand in coaching, the individual set expectations for themselves with the help of the coach (Planned Success Institute, 1998). In line with this thinking, the manager is assumed to have all the answers

while in coaching, the coachee is encouraged to find the answers, many of which the coach doesn't necessarily have (Planned Success Institute, 1998).

Managers have a paternalistic approach to employee. According to the Planned Success Institute (1998), there is a parent-child relationship between manager and managed while the coach and coachee treat each other as peers. In line with paternalistic approach, managers might withhold information to 'protect' employees while the coach is oriented toward telling the whole truth and trusting the coachee is adult enough to absorb and deal with it (Planned Success Institute, 1998).

Both coaching and management depend heavily on good communication (Schneier, Shaw, Beaty & Baird, 1995). However good communication involves different activities for coaching and management. Good communication in management is mainly telling subordinates what to do, while in coaching it is about asking, listening and encouraging the coachee to find their own solutions to problems.

After exploring the different definitions of coaching and the difference between coaching and other human resources interventions, it is important to discuss the different types of coaching.

3.6. Different Types of coaching and Coaching Models

Types of coaching refer to the differing situations that a coaching intervention is designed to resolve. Williams (2008) states that we are on the verge of a fundamental shift in personal development where people actively seek different kinds of coaching help. These different types of coaching can be used, where appropriate, in the training and empowerment of financial advisors. Appendix A discusses different types of coaching found in literature. However coaches follow different models based on their training and preferences.

Coaching models are the frameworks that support the intuitive coaching process (Wilson, 2007). According to Lennard (2010), there are several reasons why coaching models are useful. Firstly, a coaching model helps articulate what a coach does, secondly a coaching model facilitates learning during the coaching process, and lastly coaching models help the coach generate interesting questions and uncover new challenges. Though the overarching goal of all coaching is to positively impact the coachee, fundamental beliefs about performance differ among coaches and as such the preferred models used. Coaches select their models on how they envision the individuals should follow in the coaching process (Barner *et al*, 2005). It is important to understand coaching models for the purposes of selecting the most appropriate to apply in financial advisor training and empowerment. Coaching models are discussed further in Appendix B.

3.7. Coaching Techniques

Coaching techniques are the activities in the coaching process which help people achieve the change they desire. According to Flaherty (2010), using these techniques, however, should not replace the human heart and creativity in coaching. There is still need to have a relationship, and concern for the coachee, otherwise the application of the techniques may seem phoney and therefore ineffective. To help previously disadvantaged financial advisors achieve desired outcomes, coaches need to be skilled in the techniques (as discussed in this section) of listening, questioning, clarifying, reflection, using intuition, permission and providing feedback. As can be observed from the list, most of these are techniques we use ordinarily, albeit ineffectively.

3.7.1. Listening

According to Hawkins and Smith (2010) listening is a simple, deep and subtle everyday skill which very few people practice effectively. Effective listening is active listening. Megginson and Clutterback (2009) allude to the pressure and desire the coach feels for delving into the coaching issues, but without mindful listening, no progress can be achieved. Wilson (2011) provides five levels of listening, each reflecting a deeper level of listening. These levels start from the lower level of waiting for your turn to speak, followed by giving your own experience, the next level being giving advice, the fourth level is listening and asking for more. The highest level of listening according to Wilson (2011) is intuitive listening which goes beyond just hearing the words, but also what is not being said.

Smith (2006) states that active listening comes from full engagement and being attuned to what the client is saying. To actively listen, there is need to paraphrase the coachee's main points to check if the coach fully understands what the coachee is saying, because the coachee is the arbiter of whether the coach is listening or not (Nigro, 2010). According to Smith (2006) in active listening, the coach must establish rapport, eye contact, mirror the client's body language and use images.

Whitmore (2009) advises listening for emotions in the tone of voice, monotone tone may indicate repetition, and an animated tone indicates interest. In addition to tone, the coach should also listen for a shift from an informal to a more formal tone or a shift to an excessive negative tone. All these shifts usually have a hidden meaning (Whitmore, 2009).

3.7.2. Questioning

According to Wilson (2011) coaches must not ask ordinary everyday questions but should ask questions that enable the coachee to access the information they do not normally have access to. Jones (2009) states that questions are there to 'reveal the truth that the client is unaware of at a conscious level'. Listening is the basis of the questioning technique (Jones, 2009).

There are several types of questions which have a place in coaching. Parsloe (2009) classifies these types as open, closed and clean questions. Open questions assist the client to dig deeper and explore situations. Closed questions are used to tie down a goal or action. Clean questions are questions which are least likely to influence the coachee's response as they grant the client complete choice (Wilson, 2011).

3.7.3. Clarifying and reflecting

Clarifying and reflecting are the means that a conversation is kept in motion during coaching (Wilson 2011). Clarifying could also be used to clarify goals, the client's relationship with such goals and also help clients clarify the results and what the client needs to change (Grief Schmidt & Thamim, 2010). Reflection is when the coach reflects back to the coachee, the words, thoughts and feelings expressed to show that the coach fully understands what is going on (Personal Coaching Information, 2012). Reflection can also be about reflecting on the goals of the client, reflecting on the results or problem and self-reflection (Grief *et al.* 2010).

3.7.4. Intuition

According to Dembkowski, Eldridge, Hunter and White (2006) intuition is 'the way in which we gain access to, and use the full spectrum of the brain's potential unencumbered by the constraints of logical thinking'. Intuition benefits from several sources of information ranging from experience, emotion, instinct and physical; most of which are outside the realms of our conscious mind. It grows with experience and depends heavily on visual processing (Dembkowski *et al.,* 2006). Intuition could be the defining factor of excellence in coaching. It is used by the coach in the following situations; directing the course of questions and the choice of what the coach focuses on, checking congruency between what the coachee is saying vs. their body language, exploring what is not being said and directing the coaching speed. According to Wilson (2011), intuition can lead you to make profound discovery, but a person should be willing to let it go, if it leads him/ her nowhere.

3.7.5. Permission

Whitworth (2007) states that asking a client for permission shows the client that they are in charge of the coaching direction. When the coach asks for permission like 'may we work on this issue?' it demonstrates to the coachee that he has power in the relationship (Kimsey-House & Kimsey-House, 2011). It also demonstrates respect and an acknowledgement by the coach of the limits of his/ her power in the coaching process. Kimsey- House *et al.* (2011) state that asking for permission is especially important when the issue to be discussed is sensitive and intimate and would make the client uncomfortable. Whitworth (2007) states that, the client is honoured when the coach asks for permission. Asking for permission opens up the coachee to what the coach has to say and according to Comiskey (2007), increases the respect that the coachee has for the coach. It shows that the coach knows the limits of his power.

3.7.6. Feedback

According to Dembkowski *et al.* (2006) feedback involves making direct statements and observations with a positive and purposeful intent. Palmer and McDowall (2010) argue that feedback should always be future oriented as past events are prone to distortions. In this sense, the coach's feedback should aim at discussing only past behaviour if it is relevant to future performance.

Whitmore (2005) states that there are five levels of feedback:

Level 1: Personalised criticism (which should be avoided by the coach)

Level 2: Judgemental comments (which should also be avoided by the coach)

Level 3: Information generating no ownership (which should be avoided)

Level 4: Value judgements with some performer ownership.

Level 5: Detailed, non-judgemental description. This is likely to generate more productive changes as all the facts are considered in a non-judgemental manner.

According to Dembkowski *et al.* (2006) effective feedback should aim to; enhance the coachee's awareness, create greater levels of self-understanding, build on an idea, enhance the level of the client's confidence and modify behaviour to encourage productive action. Feedback should be focused on observed facts and behaviour and not on what the coach thinks of the client (Dembkowski *et al.* 2006).

Wilson (2011) recommends that the coach should provide feedback that is specific, personal, accentuate the positive and appropriate. Although coaches tend be more aware of the negative, they should strive to provide the coachee with positive feedback.

Critchley (2010) argues for the use of positive feedback as much as possible. The coachee is likely to remember positive feedback. According to Critchley (2010) our brains focus more on positive comments about ourselves than negative.

Having discussed the different techniques that can be used to coach financials advisors, it is important to discuss the concept of race. The Critical Race Theory is important in as much as it provides a context of race relations in the life assurance industry.

3.8. Critical Race Theory

3.8.1. Introduction

Critical Race Theory (CRT) is a collection of work by activists and scholars studying and trying to transform relationships between race, racism and power (Delgado and Stefancic, 2010). According to Parker et al. (2008, p. 1), CRT "describes the relationship between ostensibly race-neutral ideals, like 'rule of law', 'merit' and 'equal protection' … to transform that social structure and to advance the political commitment to racial emancipation". Critical Race Theory is a product of critical thinking and the civil rights movement in the United States (Parker et al., 2008). According to Parker et al. (2008), though it inherits much of the critical legal scholarship from the civil rights movement, it represents a significant departure from it especially on matters of race and racism in particular. Whereas the civil rights movement in the United States advocated for colour blindness, critical race theorists began to point out in the 1980s how conservatives in the United States began to use race neutrality against affirmative action.

In South Africa, according to Modiri (2012), CRT has yet to be formally adopted in mainstream legal scholarship. Despite democracy, the legacy of oppression and apartheid continues to exist with education, wealth and power divided along racial lines (Modiri, 2012). In the following section a brief history of CRT is discussed.

3.8.2. History of Critical Race Theory (CRT)

CRT's early origin lies in the 1970s when a number of lawyers, activists and legal scholars realised that the momentum of the civil rights movement of the 1960s had stalled in the United States (Parker et al., 2008). Civil right lawyers began to lose ground especially losing court cases, with respect to affirmative action (Parker et al., 2008). CRT began to demonstrate

that concepts which the reformists have taken to be helpful, like, colour blindness, formal legal equality, merit and integration, created and perpetuated institutional racial power (Parker et al., 2008). Central to their argument was that formal legal equality adopted the perpetrator's perspective, requiring proof of a conscious racial intention in a discrete discriminatory act (Parker et al., 2008).

Cognisant of the development of subtler forms of racism, Derick Bell, Alan Freeman and Richard Delgado began to work at combating it (Delgado and Stefancic, 2010). The first workshop was held in Wisconsin, United States in the summer of 1989. It was followed by further conferences, meetings, plenary session which involved a wide range of scholars, students and activists from a wide variety of disciplines (Delgado and Stefancic, 2010).

CRT builds on two previous movements, critical legal studies and radical feminism (Delgado and Stefancic, 2010). The assumptions underpinning CRT are discussed in the next section.

3.8.3. Assumptions of Critical Race Theory (CRT)

According to Dixson and Rousseau (2014), CRT is sceptical about dominant legal claims of neutrality, objectivity, blindness and meritocracy. Critical race theorists argue that these concepts in fact perpetuate institutional racial power (Parker et al. 2008). Racism is practiced and experienced in mundane, day to day activities, making it difficult to recognise (Bestler, 2008).

CRT challenges the idea of forgetting history and insists on the recognition of the importance of history in determining people's social status (Dixson and Rousseau, 2014). Dixson and Rousseau (2014) argue that racism has contributed to the contemporary manifestation of group advantage and disadvantage. History must be considered in order to challenge policies and practices that affect black people (Bestler, 2008).

The irony of the importance of race in history is well argued by Mills (1997). He submits that "white supremacy is the unnamed political system that has made the modern world today. However, you will not find this term in introductory or even advanced texts in political theory" (Mills, 1997, p. 2). He argues that, this omission is not accidental, but a result of the reality that whites take their place of privilege for granted. Ironically, this reality has dominated history and it is the background against which other systems are predicated (Mills, 1997).

Delgado and Stefancic (2010) state that CRT assumes that races are a product of social thoughts and relations. Race is a categorisation of people invented by people, manipulated by

people and retired when convenient (Delgado and Stefancic, 2010). It is not based on any biological or genetic reality, but that people with a common origin share certain physical traits such as skin colour, physique and hair texture (Delgado and Stefancic, 2010).

3.8.4. Critical Race Theory (CRT) in South Africa

It is inadequate to understand CRT, exclusively in the context of the United States, as South Africa has a unique historical perspective (Modiri, 2012). Modiri (2012) argues that the ANC's choice of a liberal capitalist model as a means of governing meant that reparations, redress and socio-economic transformation and *deracialisation* are constrained by business and market needs. Only those things which won't directly interfere with business needs will be pursued.

This means the ideals which are central to the development of post-apartheid South Africa, such as freedom, justice, dignity and community are subject to the rules of globalisation (Modiri, 2012). The 350 years of racial domination and violence, suffering and alienation of blacks are all normalised (Modiri, 2012) for the expedience of a normal functioning economy.

3.8.5. Criticisms of Critical Race Theory (CRT)

There are a number of criticisms of CRT. It considers racism as a fundamental part of a society, notwithstanding the progress made so far in dismantling the edifice of racism (Hiraldo, 2006).

Another criticism levelled against CRT is that it is exclusively concerned with race. This is done to the exclusion of gender and social class (Hiraldo, 2006), which usually also contribute to people's welfare status.

CRT theorists extensively use stories as a means to advance their view. They fail to point out whether these stories are atypical or representative (Delgado and Stefancic, 2010). These stories are told to illicit sympathy and stifle discussion, as the storyteller claims to be in a better position to understand the circumstance due to background (Delgado and Stefancic, 2010).

3.8.6. Critical Race Theory (CRT) as a basis for conflict transformation

It is the researcher's considered view, that CRT provides useful insights into race dynamics, especially in a country like South Africa. Modiri (2010) calls for a detailed analysis of the race problem and its implications to the law and constitution. I would argue for an extension of that analysis, to the economic situation. Black people's economic statistics remain

comparatively worse, even after obtaining political power in 1994. Broad unemployment statistics on racial lines reflect that unemployment for blacks is 41.2%, Coloureds 23.3%, Indians 17.1% and whites 6.3% (Kingdom and Knight, 2005). As has been argued already, whites continue to occupy more than two-thirds of managerial positions, though they form only 8.9% of South Africa population (Department of Labour, 2013).

3.9. Conclusion

This chapter provided a background into coaching by discussing several theoretical approaches to coaching. The Gestalt approach was selected as the most appropriate theoretical approach to coaching financial advisors in the empowerment context. The chapter went further to provide an in depth background discussion of coaching, how it differs from other related human resources interventions like mentoring, training, counselling and management. Several definitions and types of coaching were explored. This chapter then discussed how coaching is operationalized through techniques such as listening, questioning, clarifying, intuition, permission and feedback. To pave way for an understanding of transformation, conflict transformation and empowerment, the chapter used Critical Race Theory. The following aspects of Critical Race Theory were explored; history of Critical Race Theory, assumptions, developments in South Africa and why it is important to conflict transformation in the life assurance industry. Having established the theoretical framework, the research is now better positioned to explore the life assurance industry. This is the subject of the next chapter.

4.1. Introduction

In discussing empowerment of financial advisors and conflict transformation in the life assurance sector, it is vital to understand the sector. The financial sector plays a central role in supporting the development of any country and is at the heart of the South Africa economy (National Treasury, 2011). It allows people to "make daily economic transactions, save and preserve wealth to meet future aspirations and retirement needs, and insure against personal disaster" (National Treasury, 2011, p. 1). This sector consists of major role-players such as the Banks, the Stock Exchange, pension funds and Insurance companies. As of 2010, the financial services sector contributed 10.5% to the South African gross domestic product, had about R6 trillion in assets and employed about 3.9% of total employed people (National Treasury, 2011). Life Assurance companies in particular play a vital role in the country through their investments and products which indemnifying individuals against risks they face (Naidoo, 2010). Stephens (2009) states that the fundamental role of life assurance has not changed for the past 100 years.

Insurance remains one of the most recognised effective mitigating tool to reduce risks faced in people's daily lives (Naidoo, 2010). This is effectively done through a financial planning process conducted by financial advisors. Financial advisors use their skills and competences to assist their clients to plan for the different stages in their lives in an increasingly unpredictable and highly regulated economy (Kirzner & Croft, 2005). In this chapter the focus will first be on the history of this industry, secondly, the major role-players, the laws regulating the industry and lastly on the roles, duties and training of financial advisors operating in the industry.

4.2. History of the life assurance industry in South Africa

Financial advisors work in an industry with a long history in South Africa. Understanding this history helps provide a context to discuss financial advisor empowerment. According to Mutual and Federal (1995) it is not possible to know with certainty the first appearance of insurance in South Africa. They however point to the difficult time of the late 1700s which impacted South African history significantly, and provided the groundwork for an insurance industry. The fires which destroyed Dragoon stables on 22 November 1798, probably emboldened the resolve to start fire insurance in South Africa, especially as it was followed by other fires started a few months later (Vivian, 2001). However, according to Mutual & Federal (1995) despite the arsonist attacks, no insurance company was operational in June 1803.

John Houghton and Alexander MacDonald (the first insurance agents) were granted the power of attorney to work on behalf of a London Insurer, Phoenix Company, and their first 100 policies were

sent from London on 7 August 1806 (Mutual & Federal, 1995). However, some other overseas insurers send their own representatives to the South African market (Mutual & Federal, 1995).

The first South African insurance company was the SA Fire and Life Assurance Company which was established in December 1835 (Vivian, 2001). Vivian (2001) reports that this was followed by Cape of Good Hope Marine Assurance Company and the Protecteur Fire and Life Assurance, both established in 1838. In 1844, the Equitable Fire & Life Assurance Company made its appearance while the Alfred Home & Foreign Life Assurance and Mutual Annuity Association appointed an agent in Cape Town. In 1845, Old Mutual was established and by the close of the 1800s, a large number of foreign and local insurance companies were in operation (Vivian, 2001). With the increasing number of insurance companies, came increasing competition, which was often acrimonious and according to Vivian (2001), sometimes pitied foreign against local insurance companies.

According to Mutual and Federal (1995), another important development in the history of insurance was the fire tariff. This tariff was an agreement by English insurers on what fire insurance premiums should be especially in the cotton trade of Lancashire. However, by 1868, The Fire Offices' Committee emerged as the principal body administering the tariff agreement (Mutual and Federal, 1995). According to Mutual and Federal (1995), with time the tariff became increasingly complex and unworkable.

In South Africa, the first tariff association was established in Johannesburg in 1889, followed by another one in Cape Town in 1894 (Vivian, 2001, p. 24). According to Mutual and Federal, (1995), at the end of 1800s, there were six tariff associations in South Africa as follows; in Port Elizabeth, East London, Durban, Johannesburg, Pretoria and Cape Town. According to Vivian (2001), the tariff association did considerable good to the insurance industry. This included establishing good underwriting standards, sound insurance practices and procedures, conduct of business, commissions payable to agents and good engineering standards.

The tariffs became less popular with the passage of time in the United Kingdom and by 1968, only 30% of insurance companies in the United Kingdom were members of a tariff agreement (Mutual and Federal, 1995). In 1972, the Monopolies Commission in that country recommended its abolition (Mutual and Federal, 1995). Vivian (2001) reports that the tariff ceased to be applied in South Africa in the early 1970s, but the need for a forum for insurance companies still existed. This led to the formation of South African Insurers Association in 1974.

Before the 1980, the life insurance industry was dominated by mutual societies (Nienaber and Reinecke, 2009). These were companies which effectively belonged to policyholders, who were

entitled to a share of the company's profits though bonus declarations on their policies (Nienaber and Reinecke, 2009). The co-operative like form of governance arose in the life assurance sector in response to the difficulty in writing long term contracts under conditions of uncertainty (Keneley and Verhoef, 2006). According to Keneley and Verhoef (2006), the absence of shareholders granted substantial flexibility for life assurance companies especially in respect of setting premiums.

However with time, the relationship between mutual societies and their members became increasingly underpinned by financial considerations more than by moral or social considerations (Keneley and Verhoef, 2006). This brought to the fore the need for efficiency and transparency (Keneley and Verhoef, 2006). According to Nienaber and Reinecke (2009), the decisions on operations, company investments and bonus declaration for mutual societies were entirely controlled by managers in a non-transparent manner. This led to the demutualisation of most mutual societies in the 1990s into public companies (Keneley and Verhoef, 2006).

The South African life assurance industry is well-developed comprising 70 life insurers, with 13 providing only linked investments, with 15 life houses as niche players (credit life or funeral insurance) and the rest offering a full range of life assurance products (United Nations Conference on Trade and Development, 2007). According to United Nations Conference on Trade and Development (2007), South Africa also enjoys a very high insurance penetration rate with premiums amounting to 12% of GDP, compared to 3.4% for the rest of Africa and 4.12% for the United States (United Nations Conference on Trade and Development, 2007).

The market share at present in this industry is spread between the top four major players who control about 60% of the market (Competition Tribunal, 2009). According to the Competition Tribunal (2009), the market share is split between Old Mutual 19%, Momentum 17.61%, Liberty Life 10.09%, Sanlam 10.05%, and the others like Metropolitan, Investec, and Coronation hold the remaining 40%.

The United Nations Conference on Trade and Development (2007) state that the main problems facing the South African Insurance Industry include the prevalence of AIDS, high withdraws rate and that small life assurance companies cannot afford good quality administration systems. Of late, the life assurance sector is suffering from a significant negative perception especially due to low returns on retirement and non-transparent product charges (United Nations Conference on Trade and Development, 2007). This is despite the fact that the insurance sector has come under increased regulation through different Acts.

4.3. Trends in the Life Assurance Industry

According to Nienaber and Reinecke (2009), during the late 1990s and beyond, the financially sophisticated clients became unhappy with blended insurance and savings. This disenchantment was mainly driven by the lack of transparency in these products, as it is difficult to determine at any given point in time how much is being invested or paying for risk. In addition, the market became even more competitive. In response, insurance companies introduced new generation of policies which were pure risk. What used to be rider benefits are now more flexibly offered as standalone policies (Nienaber and Reinecke, 2009).

Insurance companies also became also actively involved in the administration of pension and provident funds on behalf of organisations (Nienaber and Reinecke, 2009). In some of these pension funds, the employer chooses the risk benefits (insurance benefits) they want offered to their staff.

Another development in the local life assurance industry has been the increased commoditisation of insurance products through the use of direct channels where non-insurance companies are selling insurance to their client base, e.g. Pick 'n Pay, Edgars, Shoprite and others (Muguto, 2010 & Van Reene, 2008). This led to improved convenience for the general public and potentially increased competition in the life assurance sector.

A further development taking place in this industry is the changing demographic of the life assurance market, with the increased participation of previously disadvantaged population segments. Muguto (2010) projects that the growing black middle class could require more entry level assurance products as they become more prosperous. In light of these developments, the industry has grown at more than 15% per annum for the past number of years (KPMG, 2013).

These changes together with the regulatory environment discussed in the next section call for a well-trained and empowered financial advisor capable of satisfying the needs of the market. The life assurance sector is governed by numerous pieces of legislation, the subject of the next section.

4.4. The regulatory environment for the life assurance industry in South Africa

As is the case with most industries where numerous role-players are involved, regulations to protect both the client and the service providers, the life assurance industry in South Africa is no exception. The main Acts governing the South African life assurance industry are: The Financial Advisor and Intermediary Services Act (FAIS) 37 of 2002, The Long-Term Insurance Act 52 of 1998, The Financial Intelligence Centre Act (FICA) 38 of 2001, The Prevention of Organised Crime Act (POCA) 121 of 1998, The Pension Funds Act 24 of 1956, The National Credit Act (NCA) 34 of 2005 and The Income Tax Act 58 of 1962. In this section the different Acts are discussed, with specific focus on their objectives and for whom it is aimed at.

4.4.1. Financial Advisory and Intermediary Services (FAIS) Act, 2002

The main objectives of the FAIS Act are to protect consumers from inappropriate financial products and services, to regulate the selling of products and provision of advice by financial services providers thus ensuring a properly regulated financial services profession. This Act applies to any institution that offers financial services and/or provides intermediary service or advice to clients on any transaction that has to do with a financial product. These organisations and people are called financial services providers.

4.4.2. Long-term Insurance Act, no. 52 of 1998

The purpose of his Act is to regulate prudential business conduct by providers of long term insurance products i.e. insurance companies, financial advisors and intermediaries. Part II of the Act deals with the registration of a life assurance company, part III, business and administration of life assurance companies, part iv, financial arrangement and part V demutualisation. Regulation of business practice, issuing of policies and policyholder protection is covered in in part VII.

4.4.3. Financial Intelligence Centre Act (FICA), no. 38 of 2001

Its main purpose is to provide a legal framework for effective fighting of financial crime like money laundering, tax evasion and terrorist financing activities. It is intended to prevent criminals from being able to integrate their ill-gotten money into the formal banking systems, in line with international standards in the fight against crime. The Act achieves this through the identification of proceeds of unlawful activities through identification of client identities, recordkeeping, reporting processes, staff training and other compliance requirement.

4.4.4. Prevention of Organised Crime Act (POCA), no. 121 of 1998

The purpose is to introduce measures to combat organised crime, money laundering and criminal activities. This is achieved through the obligation to report certain information, forfeiture/ confiscation of proceeds from illegal activities.

4.4.5. Pension Funds Act, no. 24 of 1956

The purpose of this Act is to provide for the registration, regulation and dissolution of pension and provident funds. The pension funds act governs all pension and provident fund, preservation funds and beneficiary fund. Besides governing the operation of pensions and provident funds, the Act also provides for the appointment of the Registrar and Deputy Registrar of Pension funds, including the appointment of the Pension Funds Adjudicator.

4.4.6. Income Tax Act, no. 58 of 1962

This Act is not specific to the life assurance industry, but is very important and it determines how benefits are taxed. The purpose of this Act is to provide for the recovery of taxes from persons and to provide for the making of provisional tax payments and for the payment into the National Revenue Fund.

Compliance by the life assurance sector to these Acts and Regulations is supervised by the Financial Services Board (FSB). In describing themselves on their own website, the FSB states they are "a unique independent institution established by statute to oversee the South African Non-Banking Financial Services Industry in the public interest" (www.fsb.co.za/aboutUs/Pages/default.aspx). The FSB vision is "to promote and maintain a sound financial investment environment in South Africa" (www.fsb.co.za/aboutUs/Pages/default.aspx).

Having explored the regulatory environment, the next section discusses the role, profile and training of financial advisors.

4.5. The Role, Profile and Training of Financial Advisors

Despite the prevalence of life assurance companies and financial advisors, the Nielson Survey (2008, p. 38) reports that only 23.4% of clients use financial advisors, while 46% rely on family members for financial advice, 26% use banks, and 4.6% use other sources. Thus, there is a large portion of the market where financial advisors can make an impact. This means, if appropriately empowered and trained, there is a lot of scope for advisory work available. This section discusses the role, profile and training of financial advisors.

### 4.5.1. Role of the Financial Advisor

The primary role of financial advisors is to provide financial planning advice to their clients. However, due to the nature of that relationship, Dubofsky and Sussman (2009A) state that financial advisors many times end up as personal coaches and counsellors to their clients.

Research by Dubofsky and Sussman (2010) found that financial planners had a profound effect on their clients' financial and non-financial well-being. In the financial planning role, financial planners help their clients prepare for life events such as retirement, death, disability and acquiring a critical illness (Dubofsky and Sussman, 2010). Some are involved in peripheral but related events such as debt counselling, when clients want to buy a house or car, writing of wills, or when clients want to obtain loans from a bank (Dubofsky and Sussman, 2010).

Financial planners are also confronted with client's non-financial planning events such as death, divorce, addiction, bankruptcy, depression, family conflict and even suicide. This same research by Dubofsky et al. (2010) found that even when planners have explicitly told their clients not to involve them in their personal and family issues, all planners with good relationships with their client will one day have a client disclose personal and emotional issues. Financial planners with a strong bond with their clients, sometimes end up being named as executors, co-executors or the person to contact in case of emergency (Dubofsky et al., 2010).

According to Dubofsky and Sussman (2009B), about 25% of the financial planners' job involves non-financial planning responsibilities. The involvement of financial advisors in non-financial planning issues is summarised in figure 2.1. below:

Figure 4.1. Non-financial issues that Clients Raise with Financial planners
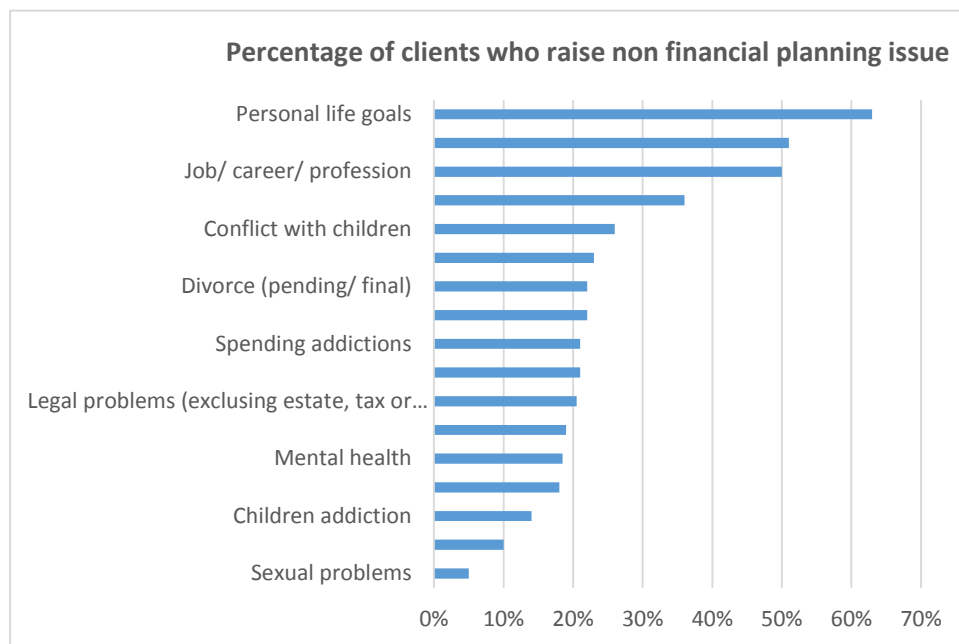
Source: Dubofsky and Sussman (2009A, p. 53).

There is a financial planning process which should be followed by financial advisors recommended by the Chartered Financial Planner Board of Standards (2009). It is clear that this process is fairly sophisticated and requires reasonably high levels of training to be effective. The six step financial planning process recommended by the Chartered Financial Planner Board of Standards (2009) is as follows:

The financial advisor should establish a professional relationship with the client in the first step. The client needs to trust the advisor enough to provide personal and confidential information which is necessary for financial planning.

In step 2, the financial advisor gathers data pertaining to the client. This data usually consists of the client's objectives, biographical, assets, dependents and financial data. The financial advisor should be able to gather appropriate data to design a plan for the client.

During step 3 the financial advisor analyses the data gathered in the second step above. This process is usually augmented by a data management system. Based on the client's objectives, age, assets and liabilities, the data management system assists the advisor in identifying the client's financial planning shortfalls.

In step 4 the financial advisor presents recommendations to the client. Where there is a shortfall between the needs and the client's current position, the financial advisor recommends how to make good the shortfall.

If the client is agreeable, the discussed financial plan is implemented during step 5. Implementation of the personal financial plan requires consent of the client and spending money. The financial advisor usually co-ordinates the whole process with life houses, investment brokers and investment houses.

Lastly, step 6 involves monitoring of the implemented financial plan in line with macro-economic and life style changes of the client. Life style changes could be children finishing college thus reducing dependency, and the need for life cover. Macro-economic factors could erode investment values thus forcing people approaching retirement to postpone their retirement.

According to Anthony (2006) the financial advisor should be able to improve the client's financial literacy and become a life-long partner regarding this facet of a client's life. This is achieved through using five key building blocks reported by the Financial Times (2014) briefly discussed below.

Firstly, the financial advisor should have an in-depth understanding of the client. To really have a deep trusting relationship, the financial advisor needs "more granular insight… into their [clients'] goals, aspirations and investment behaviour" (Financial Times, 2014).

The second relationship building activity provided by the Financial Times (2014) is guiding and coaching. In this sense, the advisor should seek to provide client specific information which they feel is relevant to them, and not generic information.

Thirdly, the financial advisor should communicate effectively with the client. Communication should be clear, concise and relevant which demonstrates that their personal needs are being addressed.

The fourth relationship building exercise involves the effective use of technology. Technology facilitates some aspects of the relationship to be automated for cost effectiveness. However technology is there to complement personal touch (Financial Times, 2014).

The last aspect discussed by the Financial Times (2014) is transparency. Clients need transparency especially regarding fees, governance and investment decision making.

Having discussed the role of a financial advisor, the financial planning process and relationship building activity, it will be helpful to consider the skills which a financial advisor needs.

4.5.2. Skills of a Financial Advisor

The financial advisor needs core financial planning competencies and also other additional competences. These are skills and competencies that empowerment and coaching programmes should be trying to impart. The Financial Planning Standards Board (2007) categorised financial planner competencies into three functions, as discussed below:

The first is information collection. This involves collecting quantitative and qualitative information required to develop a financial plan. This goes beyond gathering information, to include identifying related facts, calculations and arranging the information for analysis. This requires effective listening skills and according to Napolitano (2013) during the initial meetings the financial advisor should listen to the client's concerns, needs, interests, expectations and dreams.

The second competence is analysis, which involves considering issues and performing calculations and assessing the results to be able to develop relevant strategies for the client. Analysis includes, considering opportunities and constrains of the client and developing relevant strategies. The final competence is synthesising information in order to create a financial plan for the client.

To be successful, a financial planner also needs non-core competencies such as coaching skills, listening skills and emotional intelligence. According to Dubofsky et al. (2009B) coaching skills will help a planner improve rapport with a client, make the client comfortable, facilitate goal setting and action planning, provide motivation and listen empathically and nonjudgmentally (Dubofsky et al., 2009B). Listening skills will help a planner not to jump to

conclusions and also pick up vital non-verbal cues from the client. Listening with empathy means listening to what the client is trying to say or is afraid to say. Emotional intelligence helps the planner be more self-aware, self-manage, become socially aware and manage the planning relationship (Dubofsky et al., 2009B). Occasionally a client will become emotionally distraught during planning; the financial planner should be able to use emotional intelligence to manage the situation.

Outstanding financial planners have a good mix of both core-skills and non-core social skills. The core skills help the financial planner design a professional financial plan and non-core social skills help the planner get the client to take relevant action in pursuit of the plan.

4.5.3. Brief findings on Training in the Insurance industry

Whilst coaching has been covered comprehensively in sections 3.5., 3.6. and 3.7 above, it is necessary to make a critical distinction between coaching and training. Hence this section focuses on training. In general, insurance companies initiated management development programmes, in conjunction with business schools, to address their lack of skilled manpower (INSETA, undated). These business schools focus on management and technical skills, as required by the sector.

In addition, various life houses have learnerships running. The aim of these learnerships is to provide skills and practical experience to graduates (INSETA, undated). On completion, the graduates are given certificates, and are well positioned to be employed by that specific company (INSETA, undated). For instance, according to FA News (2015), Liberty Life has managed to place an average of 64% of learners from its own programs on permanent or temporary employment from 2005 to 2013.

INSETA (undated) in their study on the insurance sector recorded the following findings; Firstly, more than half of top executive deemed training and development as top priority, but only 25% reported making any changes to employee training, career growth and development. Secondly, there is a focus on using information technology to improve work performance. Thirdly, of the 80% who said people issues are important, about one-third said organisations are not doing enough.

From this result, it is apparent that the interventions currently being implemented by life assurance companies are inadequate. From the INSETA (undated) researched organisations, although awareness for the need for training is high, it is not followed by concrete action to make significant change.

4.5.4. Training of Financial Advisors in the Insurance industry

In 2008 the Financial Services Board (FSB) introduced a compulsory examination for all key principals/ owners of brokerages and financial advisors. According to the FSB website (2014), financial advisors and intermediaries must know what information to make known to the consumer when selling financial products and services to them. They must also be aware of their responsibilities and duties when giving financial advice. From this description, the compulsory exams test the knowledge and understanding of the regulatory environment, especially the FAIS Act, its codes and regulations.

According to INSETA (undated), various insurance companies have shown an interest in training their own employees. However, training of financial advisors by major life houses does not have a specific focus on empowering the previously disadvantaged financial advisors. Everyone goes through the same training programme. This section summarises the financial advisor training programmes of the major companies in this industry namely Liberty Life, Momentum, Metropolitan, Old Mutual and Sanlam.

A.   Liberty Life (Liberty Life Broker Training information)

According to Liberty Life Broker Training information (n.d, p. 1), financial advisor training commences in the first month and their training is on-going through the Liberty Life Wealth University. They offer internally an NQF Level 5 Certificate in Wealth Management (120 credits). The Certificate in Wealth Management is divided into 3 'broker schools'. In broker school 1 the financial advisor will get 33 credits, broker school 2, 22 credits and broker school 3, 32 credits.

According to Liberty Life Broker Training information (n.d.), in addition to the internal training, Liberty Life has partnered with PSG Konsult, and also uses the technical expertise of the University of Stellenbosch Business School Executive Development (USB-ED) programme to provide training for financial advisors in the National Certificate in Financial Planning (NQF Level 6). This programme is divided into two study schools, the first covers legislation, tax and financial planning; and the second employee benefits and investments.

According to Liberty Life Broker Training information (n.d), to assist the advisors to become Certified Financial Planners (CFP), Liberty Life partnered with an independent training consultant who provides online training. At the completion of the training, financial advisors write the post-grad Diploma in Financial Planning offered through the University of the Free State. After passing the post-grad Diploma, the financial

advisor applies to the CFP Board to be officially recognised as a Certified Financial Planner and to use their trademark CFP notation after their name. The CFP is the premier qualification for financial advisors in the industry which is internationally recognised.

According to Liberty Life Broker Training information (n.d), in addition to the professional development plan, Liberty Life advisors also have a self-study programme available for their financial advisors. The self-study material is compiled with the help of franchise managers, to whom the specific financial advisor reports. Advisors tied to Liberty Life are 'incentivised' to continue on their professional development path after completing the above training.

Independent financial advisors can also go through the above professional development plan using Liberty Life. However, independent financial advisors will not be required to complete the self-study programme. Ongoing support for independent brokers is provided through the broker consultant, whose main focus is to market Liberty Life products.

B.   Momentum (Momentum Broker Training programme)

Momentum's financial advisor training philosophy is that financial planners are professionals who are responsible for their own career development. In line with this philosophy, they only recruit experienced financial planners and shun the traditional "academy" environment as it is not cost-effective based on the great disparity in the training needs of financial planners.

Momentum has aligned its training programme with Lightbulb Consulting and offers classes in modules such as: Registered Financial Planner (RFP) (NQF Level 5); Associate Financial Planner (AFP) (NQF Level 6); and Certified Financial Planner (CFP) (NQF Level 7). Financial advisors are expected to self-direct along the path to CFP with very limited support in terms of formal training.

Momentum offers specialist financial planning support via legal advisors based in the provinces. They also have a set of e-commerce trainers, whose function is to train financial planners regarding the use of proprietary financial planning software. They also have a strategic relationship with EncoreSA Practice Management Specialists which trains financial planners in practice management, mainly through a two-year practice management course. The cost of attending such a course is borne by the financial advisor.

C. Old Mutual (Training Programme, n.d)

Old Mutual has a relatively long recruitment process. The recruitment process is deliberately long to test how long the financial advisor may stay with Old Mutual. The recruitment process includes the financial advisor completing the 1- 100 network list. This is when they identify 100 people in their own network with whom they can get an appointment. The recruitment process also includes several interviews, completing psychometric tests and role-playing.

Coaching is mainly done for new financial advisors during the initial 24 months. This coaching is done by the branch manager. The coaching and training of a new financial advisor proceeds as follows:

- First week- orientation process:

    The sales manager is responsible for one to one training process. The new financial advisor completes the pre-work process, which is usually reading through material and answering questions at the end of the workbook. The sales manager also explains to the new financial advisor his responsibilities, targets and company policies.

- Second and third weeks- class room training

    Advisors are sent to the Old Mutual Academy for face-to-face classroom training. The academy follows a formal curriculum. There is a test at the end of the 2 weeks which is designed to evaluate completion of training materials, therefore it is not designed to eliminate anyone. During this period, the advisor strengths and weaknesses are identified. After these 2 weeks, sales managers should (but this is not enforced) prepare a personal development plan for the advisor based on the assessment of strengths and weaknesses.

- Fourth week to three months

    The financial advisor goes to his/ her first 10 appointments with the sales manager. During this period, the financial advisor also completes product accreditation online. This involves reading through product guides and writing a test to evaluate the level of understanding of the product. The sales manager conducts face-to-face coaching on soft skills and any other training depending on the personal development plan for that particular advisor.

- Third month- for one week

  The financial advisor spends another week training at the Old Mutual Academy. This training is only provided to financial advisors who meet certain requirements like learning progress, product accreditation and number of appointments with clients completed. This one week training will deal with specialist topic like estate planning.

- Third month to one year

  A supervisor agreement is drawn up. This is a requirement in terms of FAIS to trace the training and development of the financial advisor. During this period, the sales manager provides ongoing coaching. Product training is also provided to improve the financial advisor's proficiency selling the product, as and when it is available. During this period, financial advisors have targets they need to meet. If they fail to meet these targets, they are actively managed with the intention of them meeting the targets or leaving the organisation.

- One to two years

  The financial advisor needs to complete the regulatory examinations. This is a requirement in terms of the law. In addition, the financial advisor has also to complete the NQF Level 5 certificate in Wealth Management.

- After two years

  The financial advisor will not be following any formal training programme. However they will attend ad-hoc product training, watch recorded training sessions online and also receive legal updates

D. Sanlam Financial Advisor Training Programme

  The Sanlam training programme starts with the prospective financial advisor completing an aptitude test. The aptitude test is evaluating whether the prospect fits a financial advisor profile, that is, do they have the traits to become a successful financial advisor.

  During the first month, the financial advisor attends classroom training and writes several tests. In the second month, classroom training continues and also the financial advisor receives some coaching by the line manager.

From the third to the sixth month, the line manager continues with coaching and mentoring of the new financial advisor. The main focus during this period is to reinforce classroom training, to teach them the 'management' skills needed for the job to be successful and all soft skills required for their financial advisory role.

The financial advisor is exposed to several classroom and content based training from the sixth month going forward. This training is focused on providing product knowledge and awareness of the law governing the life assurance industry.

As can be seen from the training offered by various life assurance companies above, it is mostly classroom based, no formal coaching is practiced and there is no much consideration of empowerment or varying financial advisor needs from training. As will be shown in the next section, local training is comparable to that done in the US and UK.

4.6. Training of financial advisors in the United States of America and the United Kingdom

To further emphasise the lack of empowerment orientation in financial advisor training, there is a striking similarity between the US minimum training requirements and that of South Africa. The US based Financial Industry Regulatory Authority (FINRA) website (2010) states that in the United States, each state licenses financial advisors (licensing in South Africa is done at a national level). There is a minimum number of study hours the advisors need to complete before they write a single state examination. FINRA (2010) further asserts that the advisor needs to select a specific category of insurance he/she wants to advise on, and then write a specific examination for it (which is similar to on-going regulatory exams in South Africa).

According to FINRA website (2010), a registered financial advisor is also required to adhere to certain continuing education requirements during the course of his/her career. The continuing training programme includes periodic computer-based training in regulatory issues and product related matters (FINRA, 2010).

One life insurance company in the US, New York Life Insurance Company (NYLIC) has a training programme divided into two categories; entry level advisors and experienced advisors' development. The NYLIC website (2010) states that through their NYLIC University they provide courses which span the advisor's entire career, from pre-contract training through to practice and succession planning. They also help advisors develop their careers and implement what they have learnt on a daily basis with new prospects and clients.

The Financial Services Authority (FSA) regulates the financial services industry in the United Kingdom. The life assurance advice industry in the UK is dominated by product suppliers who have huge sales forces (Clarke, 1999). Following the regulatory prescription for independent advice,

Clarke (1999) highlights the decline in life house advisors and an increase in independent advisors. A financial advisor needs to have a certificate in financial planning in addition to being authorised by the FSA to provide financial advice in the United Kingdom (Clarke, 1999).

Redhead (2008) reports that there is a drive in the UK to make financial advisors achieve chartered status just like accountants and lawyers. He reports further that this is in response to major misrepresentation during the 1980s and 1990s which led to a huge distrust of the industry by consumers.

From the aforementioned, it is clear that the present training of financial advisors in South Africa is similar to that in the USA and the UK. This is based on the understanding that greater knowledge can directly benefit the consumer. Thus, the emphasis on training financial advisors is classroom oriented which brings the question as to whether that is the best approach to financial advisor training.

4.7. Conclusion

With R1.8 trillion, mostly third party assets under management, the life assurance industry serves a critical role in South Africa. There is a plethora of laws which govern the industry, some of which continue to change. Though the fundamental role life assurance serves remains the same, there is a wide array of products offered by life offices, directly or through financial advisors. The role of the advisor remains critical despite the ageing financial advisor population. Life offices are implementing various advisor training programmes to up skill and train new advisors. These training programmes are mostly classroom based and similar to training in other countries like the US and UK. With the changing life assurance market structure and greying of the advisor population, there is an urgent need to consider empowerment and coaching as an intervention to improve continuity in life offices and advisory businesses, which is the focus of the next chapter.

5.1. Introduction

The previous chapter provided an overview of the life assurance sector. From the previous chapter, it is clear that the primary method of training financial advisors is classroom oriented and coaching is rarely used. From a discussion in chapter 3, coaching has shown significant positive outcomes in the United Kingdom and German. The Gestalt approach to coaching has a number of positive traits which can make it the most appropriate in the context of empowerment and conflict transformation. This chapter discusses why Gestalt approach to coaching is the most appropriate for coaching financial advisors, how its effectiveness can be measured, how an organisation can create a coaching culture and why in the long term it will lead to better empowerment outcomes, thus achieving conflict transformation. The CRT is used to provide an in depth understanding of race relations in post-apartheid South Africa. The chapter concludes by discussing the appropriate measures for financial advisor coaching in the life assurance sector.

5.2. Why the Gestalt Approach to Coaching

Due to the fact that business coaching is a relatively new discipline, it sometime suffers from the misperception that it is non-scientific. This misperception is usually supported by the comparatively fewer empirical studies proving its efficacy in achieving change in behaviour (Clegg et al, 2005). Like any other proven performance intervention, coaching should help create sustained behavioural change in people lasting beyond the coaching relationship. Cox et al (2009) report that from their coaching experience, coachees make commitments which by the next coaching session they have not followed through.

To create a sustainable change, there is a need to create a momentum of supportive habits and behaviours (Grunburg, 2010). One of the principal reasons why coaches are hired is to speed up sustainable personal development (Kets de Vries, 2011). Knowledge alone does not change people; however, most people can easily change if their values, self-image, motivation and habits change (Cox et al, 2009).

In light of the above realisation that not all coaching will lead to sustainable change, it is useful to evaluate why the Gestalt approach will have desirable outcomes for financial advisors. This is achieved by comparing the fundamental assumptions of Gestalt approach to qualities which make a financial advisor successful.

Gestalt therapy assumes that people work to the best of their ability (Melmik & Nevis, 2005). A financial advisor needs a significant level of sales skills. Napolitano (2007) states that you need to

have good sales skills and many contacts to achieve significant success as a financial advisor. Most sales people are not successful due to their fear of rejection (Laundre and Richmond, 2001). We can therefore argue that, if a critical skill required in financial planning is sales skills (Napolitano, 2007) and most financial advisors fail to last two years, poor sales skills is the inhibiting force. In line with Gestalt therapy assumption that people are not fundamentally lazy (Melmik & Nevis, 2005) we can assume that if people are coached on sales and other skills, they will become successful financial advisors. Coaching is the most appropriate approach to sales skills as Rich (1998, p. 52) states that the vast majority of sales people reach their full potential through effective coaching and sales coaching is the most competitive skill any organisation can have.

In Gestalt approach to coaching, it is assumed that if the coachee is more self-aware, he/ she is likely to achieve the desired goals (Cox *et al*, 2009). Pursuant to this assumption, the major goal of Gestalt coaching is to make the client aware of their current experiences, take responsibility and make the necessary changes (Snetselar, 2009) as awareness brings with it greater choice (Bryan, 2009). Financial advisors, like most sales people work independently most of the time. This means they do not benefit much from manager and colleague feedback, which means they should be significantly more self-aware than people who work in teams. According to Cox et al. (2009) the distinguishing feature of Gestalt approach is its focus on awareness and its impact on achieving effective behaviour and a healthy lifestyle. The coach should be an awareness expert (Cox et al., 2009), and as such coach the financial advisor to be more self-aware of own behaviour to take corrective action. Awareness of the current reality provides opportunities for growth (Saner, 1999) and the coach encourages the coachee to grow (Rubin, 2001).

Another assumption of a Gestalt approach to coaching is that a coach can only fully understand individual behaviour if he/she understands the context within which the individual operates (Cox *et al*, 2009). This assumption is closely related to another Gestalt assumption that the coach must acknowledge the coachee's current reality before trying to change it (Siminovitch & Van Eron, 2006). Financial advisors have different backgrounds. Some financial advisors are college graduates, while others are experienced professionals who are attracted to the profession by the level of independence which it offers (Brandon & Welch, 2009). The variation of financial advisors in South Africa is further compounded by the differing education received by people with different backgrounds. There is a significant disparity in pass rates between schools in townships and nearby suburbs (Equal Education, 2011). A Gestalt coach would be ideal to deal with these disparities due to the individual context orientation of the intervention process, as dictated by Gestalt approach.

The CRT provides a basis for understanding the impact of race on success or failure of financial advisors. This aspect is the subject of discussion in the next section.

5.3. Why the Critical Race Theory

CRT questions neutrality, objectivity, blindness and meritocracy in organisations (Dixson and Rousseau, 2014) which CRT theorists argue perpetuate institutional racial power (Parker et al. 2008). As has been discussed in Chapter 4, training in the life assurance sector is classroom based, without any special focus on previously disadvantaged financial advisors. This training is producing skewed outcomes, with 60% of the advisors being white males 50 years and older (The Institute of Practice Management, 2010) pointing to an ageing industry. In other words, what seems neutral and based on meritocracy is perpetuating racism, thus undermining any empowerment initiative.

Dixson and Rousseau (2014) highlight that CRT helps people understand importance of history in determining people's social status. The outcome seen in financial advisor outcomes are predicated in the history of privilege and depravation (Dixson and Rousseau, 2014). That history should inform financial advisor training to help coaches and trainers appreciate how depravation manifests in the performance of financial advisors.

Despite its importance in shaping history, Mills (1997) states that you will not find racism in texts of advanced political theory, even less so in other subjects. This might mean, white people in positions of influence might not take consideration of the impact of racism on non-whites. This is simply because of ignorance, as racism was a topic of seemingly insignificant value in school. Using CRT, a coach or trainer is made aware of the overt and covert forms of racism. Such knowledge would help them when carrying our interventions like coaching or training.

Though we argue that the Gestalt approach is ideal for coaching financial advisors and also that any intervention should be cognisant of the CRT, it doesn't follow that results from such intervention would automatically be enduring. There is a need to create supportive habits, behaviours and culture in the organisation (Grunburg, 2010). Robbins (2009) argues that a supportive organisational culture makes organisations competitive in the long term. The next section discusses how to create a coaching culture. A coaching culture would safeguard the gains from Gestalt coaching and racial harmony arising from taking into consideration CRT.

5.4. Coaching culture in an organisation

Hofstede (2001, p. 9) defines culture as "collective programming of the mind that distinguishes the members of one group or category of people from another". In this definition, two elements about culture are apparent namely; similarity within the group, and the difference with non-group members. According to Clutterback *et al* (2005, p. 19) a coaching culture is one where 'coaching is the predominant style of managing and working together, and where [there is] commitment... to

grow the people in the organisation'. Wilson and Gislason (2009, p. 239) indicate that a "coaching culture promotes open communication and a high trust working relationship".

For a life assurance company to benefit from coaching in the long term, it needs to have a supportive coaching culture. Hargrove (2009) states that, while most business leaders acknowledge the value of coaching in their organisations, their organisations lack a coaching culture. Without a supportive culture, coaching as an empowerment tool for financial advisors is likely to be an expensive ineffective human resources intervention as financial advisors would find themselves going against the norm and the way business is done. In this section several aspects of the coaching culture are discussed ranging from the fundamental hallmarks of a coaching culture, why confidentiality is important in coaching and to how to create a coaching culture in an organisation.

5.4.1. Hallmarks of a coaching culture

Bergevin, Kinder, Siegel and Simpson (2010) provide important principles which need to be observed in an organisation which implements a coaching culture. These include, managers participating in the day to day activities as colleagues, as opposed to being spectators. In an organisation with a vibrant coaching culture managers focus on important things and prioritise and they are in a habit of asking and not telling financial advisors what to do (Bergevin et al., 2010). In a coaching oriented organisation, managers are oriented towards building on people's strengths as opposed focusing on criticising them for their weaknesses (Bergevin et al., 2010). Feedback provided in a coaching oriented organisation is specific and possible to implement and there is quick follow up on agreed changes to behaviour to promote the implementation of the agreed plans (Bergevin et al., 2010).

5.4.2. Importance of Confidentiality in sustaining a coaching culture

Blanchard (2010) states that you must define and honour confidentiality if you want to have a coaching culture. One breach of confidentiality will destroy the whole coaching initiative as people lose trust in the process. People should be able to count on their coaches to keep issues confidential; otherwise the coaching culture does not take root.

Western (2012) states that one of the major attractions in using external coaches is the ability by the coachee to discuss issues without much fear of being judged. Internal coaches are likely to be influenced by organisational politics which ultimately affect the coaching outcomes (Western, 2012).

5.4.3. Accreditation of internal coaches

For a coaching culture to be effective, Keddy and Johnson (2011) recommend accrediting all internal coaches. Accreditation would give all internal coaches the relevant skills needed for coaching. The minimum requirements for accreditation include; observing and assessing coaching conversations by experienced coaches, 30 hours of foundation training and 15 hours of coaching practice.

5.4.4. Coaching across cultures

This is an important issue due to the multicultural nature of South African organisations. Inter-culture coaching is aimed at dealing most productively with cultural differences and using coaching to promote success through alternative cultural perspectives (Rosinski, 2003). Culture is not limited to nationality or regions; it can boil down departments in an organisation. Wilson (2011) highlights that in one organisation, some people might identify themselves as belonging to a specialist culture, i.e. the information technology team, the actuarial team etc.

Financial advisor coaching can benefit from cross culture coaching to help financial advisors understand clients from cultures and backgrounds different from theirs. To implement cross culture coaching the life assurance company could follow Palmer *et al's* (2010) recommendation that cross culture coaching should include understanding various coachee cultural preferences. Other issues to be included according to Palmer (2010) are; dealing with cultural differences which may manifest themselves in bias and stereotyping, improving the financial advisor's appreciation of how culture impacts on behaviour and helping financial advisors appreciate that culture is more than just nationality, region, race or background.

5.4.5. How a Life Assurance company can create a coaching culture

If an organisation intends to maximise benefits of coaching, it should allow coaching to permeate throughout all the levels of the organisation to create a coaching culture (De Valk, 2011). According to Eldridge and Dembkowski (2004), there are several factors which drive the successful implementation of a coaching culture, namely:

(a) **Link to strategy**- there is need for a correlation between a coaching culture and what the organisation's strategy as it relates to financial advisors.

(b) **Identify a sponsor**- it is ideal that there is a senior member of staff championing the implementation of a coaching culture, like a member of the company board.

(c) **Create evaluation criteria for coaching**- Eldridge *et al* (2004) state that evaluation of coaching should be more than just checking how happy people are with coaching. In the long term, the organisation should be able to show that financial advisor outcomes have improved due to coaching, for example, reduced attrition on new advisors.

(d) **There should be a coaching pool**- this will enable financial advisors to make a choice of their preferred coach and also in the event that a coaching relationship does not work, another coach from the pool can take over.

(e) **The coaching pool should be managed and actively communicated with**- this will ensure that the organisation's expectations from the coaches is clear to them.

(f) **Enforce confidentiality**- the organisation should enforce strict confidential standards in order to retain the trust of financial advisors in the coaching process.

(g) **Develop an integrated communication**- there is need for frequent communication to financial advisors which highlight the benefits of coaching.

5.4.6. The four stages of coaching culture development

In evaluating the extent of an organisation's culture, Megginson *et al* (2006) report of four different stages of coaching culture development. The first stage is the **nascent stage**, where there is no real commitment to coaching. Coaching is inconsistent and managers abandon it for trivial tasks. From the discussion of financial advisor training, this is likely to be the stage of financial advisor coaching.

The second coaching stage according to Megginson *et al* (2006) is the **tactical stage**. In this stage the organization understands the value of coaching but treats it as a human resource function. Coach training has been done, but there is lack of a coordinated approach to coaching and limited commitment by managers.

According to Megginson *et al* (2006), the third stage of coaching culture development is the **strategic level**. Managers and employees are trained in coaching and understand its value. Managerial performance is linked to their coaching responsibilities and there is general commitment to coaching. The challenge to the coaching culture is that it is still done informally and as such disjointed.

In the **embedded coaching stage** all parties are fully committed to coaching and it is occurring formally as well as informally at all levels (Megginson *et al*, 2006). Formal and informal coaching is happening seamlessly and some senior managers are being coached by

people who are junior to them. There is no fear of confronting and addressing difficult issues as there is an underlying understanding in the business of noble intentions of everyone.

5.4.7 Stages to launch a coaching culture

The real challenge of implementing a coaching culture not only emanates from the cost, but more so from obtaining buy-in. Many culture change initiatives collapse due to the lack of buy-in from both managers and employees. Pursuant to this, Wilson (2011) recommends the following nine point plan to launch a coaching culture. These points are discussed in the context of how a life assurance company can launch a financial advisor coaching culture:

(a) **Identify the vision** which the coaching culture intends to achieve e.g. reducing financial advisor attrition or increasing the average commission earned by a financial advisor.

(b) Conduct an **organisational health check** to evaluate all systems which govern the work of financial advisors. Replace or improve all systems which lead to unintended consequences.

(c) **Identify all the stakeholders** involved in the management of financial advisors, including senior managers and executives.

(d) **Obtain buy-in** from all stakeholders, through consultation, discussion and promotion.

(e) There needs to be **agreement on the measures** to be used to evaluate the success of the coaching culture. Care should be taken to only record gains which can be attributed to the introduction of a coaching culture.

(f) **Implement a trial run** in order to minimise the risk of full implementation and the programme failing, Wilson (2011) recommends running trail runs no matter how confident stakeholders are on the success of the coaching culture.

(g) **Evaluate the success** of pilot programmes and agree on the way forward based on the results of the pilot programme.

(h) **Roll out** the coaching culture programme. All financial advisors participate in the programme.

(i) **Maintain the momentum** of the programme so that people do not fall back into old habits. Set up events which celebrate the new culture like awards to financial advisors and managers whose behaviour is a good demonstration of coaching culture. Wilson

(2011) advises that once in full swing, the programme normally keeps its own momentum.

5.4.8. Reasons why coaching culture sometimes fails

From research undertaken by Ashley -Timms (2012) it is clear that the failure of a coaching culture is usually attributable to internal processes and not due to the culture itself. ANC-Timms (2012) provides several causes of failure. One major cause for failure is that managers insist on maintaining the status quo and do not open up to the required changes (Ashley-Timms, 2012). Sometimes coaching culture fails because there are no specific goals to be achieved and without clear goals to drive the action, nothing will change (Ashley-Timms, 2012). Many organisations use coaching as a short term solution to their problems, on the contrary, implementing a coaching culture is not a quick fix solution to problems (Ashley-Timms, 2012). Lastly, Ashley-Timms (2012) states that coaching culture can fail if there are no activities to sustain the changes introduced especially in the initial days. However once it is successfully implemented, a coaching culture can be self-perpetuating with employees actively seeking feedback from their managers (Ashley-Timms, 2012).

Implementing a successful coaching culture is underpinned by competent coaches. It is therefore important to discuss the characteristics and qualities of good coaching.

5.5. The characteristics and qualities of good coaching

The outcome of coaching to a great extent depends on the coach. To achieve positive empowerment outcomes and reduce potential conflict, insurance companies need to know the characteristics and qualities of a good coach and use such knowledge to select the right coach.

The Executive Coaching Forum (2008) states that coaches must maintain a high level of competence and exercise careful judgement to satisfy the client needs. Effective coaches are knowledgeable and competent in areas such as psychology, business acumen, organisation and coaching theory (The Executive Coaching Forum, 2008). According to The Executive Coaching Forum (2008) the competence of a coach is not arbitrarily determined by an academic degree or certification, but training and education have a role in satisfying objective coach evaluation criteria.

5.5.1. Coach training and education

Frisch, Lee, Metzberg, Rosemarin and Robinson (2011) state that, people become coaches from different educational backgrounds. These backgrounds are mainly psychotherapy and counselling (Kinder, Hughes and Cooper, 2008). Kinder *et al.* (2008) stress the importance of

a coach getting training from high quality recognised schools which offer 125 hours of specific coaching training.

Coaching is an evolving profession in which some universities are already offering undergraduate and post graduate degrees. According to Kinder *et al.* (2008, p. 295), coaching education is growing in rigour in tandem with academic theory.

In South Africa the main coaching association is called Coaches and Mentors of South Africa (COMENSA). The expectations of COMENSA in the development of coaches (specified on their website – www.comensa.org.za) are as follows; first COMENSA accredited coaches are required to be under supervision. This provides the coach with development opportunities from other experienced coaches. Secondly, COMENSA coaches need to undergo continual professional development through workshops and training. Lastly, all COMENSA accredited coaches are bound by a code of ethics which helps enhance the credibility of coaches.

According to Paisley (2012), there are more than 50 coach training institutions in South Africa. These training institutions differ as far as costs and the content of the training is concerned. There are generally 2 types of coach training institutions namely, institutions whose main thrust involves using coaching models, tools and techniques, and institutions aimed at coach development i.e. raising awareness and a self-development process.

The International Coach Federation (ICF) based in the United States of America is the largest federation of coaches in the world with about 19,000 members of which 52% are in the US and 31% in Europe and the Middle East (ICF 2011 Annual Report, 2012). It has three levels of accreditation namely:

- **Associate Certified Coach**: a minimum completion of a written and oral exam, 60 hours of coach-specific training, and 100 hours of client coaching practice with at least 8 clients.

- **Professional Certified Coach**: a minimum of 125 hours of coach-specific training, 750 hours of coaching experience and at least 25 clients.

- **Master Certified Coach**: a minimum of 2,500 coaching hours and at least 35 clients.

Of the about 19,000 members, about 8,200 are credentialed (ICF 2011 Annual Report, 2012).

5.5.2. What are the qualities of a good coach

Fairley and Stout (2010) provide the different qualities of a good coach. A coach needs advanced communication and listening skills, the ability to focus on core issues, a willingness to comfort/challenge the client when necessary and a broad life experience (Fairley and Stout, 2010). Fairley and Stout (2010) add that a coach needs to have a results driven personality, knowledge of how a business runs and knowledge of the language of the business and language used to avoid coaching (Fairley and Stout, 2010). According to Fairley and Stout (2010) a coach should be willing to stand up for personal values and benefits and also should be willing to deal with conflict

The main reasons coaching fails are to do with the coach's prejudice, stubbornness and rigidity rather than a coachee's uncoachability (Flaherty, 2010). It is sometimes difficult for a coach to transcend his own negative attitude about a coachee, and in such a case the coach should resign from coaching a client.

Cox *et al.* (2009) report of the huge coaching challenge, where most coaching sessions lead to greater awareness of problems and significant insight by coachees, but no change. Many times changes achieved during coaching are lost with time as the coachee settles back into routine. This means to obtain significant results, you need to have an extraordinary coach. To obtain extraordinary results, the coach needs to be extraordinary, as discussed in the next section.

5.5.3. What makes a coach extraordinary?

Extraordinary coaches help coachees achieve extraordinary desired results, on a sustainable basis to what seems like an 'impossible' future (Hargrove, 2008). This means an extraordinary coach has to be transformational. This is the transformation of the coachee's negative self-image and unhelpful frames of reference. This transformation occurs on the realisation that the old ways won't lead the coachee to the desired future (Hargrove, 2008). Transformation should occur at the deepest level of engagement where core values are altered (Cox *et al.*, 2009). Once that core change is achieved, then change and implementing agreed plans becomes easy.

The results of any coaching intervention should be measured carefully and communicated. The next section deals with how the results of coaching can be measured

5.6. Measuring the Results of Coaching

There are several challenges to measuring coaching results (Fairhurst, 2007). Many times it is difficult to prove beyond any reasonable doubt that coaching works and has led to the identified improvements (Fairhurst, 2007). Fairhurst (2007) states that another challenge in measuring performance is the fact that many organisations do not know the impact of employee behaviour on several business measures. Jones (2007) reports that a 2007 study in the UK revealed that many organisations still have a long way to go with regards to measuring the benefits of coaching. In that survey, 62% of the respondents reported that coaching measures were not effective, 32% reported "moderately effective" and 0% reported "very effective". There is need to measure the effectiveness of coaching financial advisors, to see if there are improvements in empowerment outcomes.

Homan and Miller (2008) suggest four ways of measuring the effectiveness of coaching. These measures are informal surveys, structured measured interviews, formal impact studies and bottom line dashboard tracking as discussed below.

5.6.1. Informal Surveys

Surveys can be conducted midway during implementing the coaching process and at the end, to evaluate the impact. Homan *et al.* (2008) recommends using online surveys to quicken the process of obtaining responses. Data collected electronically is quicker to analyse as there is no further need for data capturing (Homan *et al.,* 2008). Informal surveys usually ask the coachee questions pertaining to the application of skills learnt, the effectiveness of the coaching experience, and effectiveness of the coach (Homan *et al.*, 2008).

5.6.2. Structured measured interviews

These interviews are conducted at the end of implementing the coaching process to find out from participants what they think has improved (Homan *et al.,* 2008). The structured interview could take about 90- minutes to conduct (Homan *et al.,* 2008). Coachees and/or their managers report on what they think are the outcomes of the coaching process.

5.6.3. Impact Studies

These are more formalised measures which require the understanding of the coaching process (Homan *et al.*, 2008). Here, a sample of coachees is selected and formal 20 minute-interviews are held with them. The interview could be telephonic or face to face. According to Homan *et al.* (2008), the formal interview would ask the respondents of their coaching

experiences especially what they felt they benefited from the coaching. From these interviews, the business impact of coaching is determined (Homan *et al.,* 2008). According to Homan *et al.* (2008), impact studies are usually conducted by outsiders and this makes the process usually expensive.

5.6.4. Tracking dashboard results

Here for instance, a business may track employee absenteeism, employee satisfaction, sales increases etc. The challenge of using existing measures, according to Homer *et al.* (2008) is that you cannot isolate improvements and ascribe them to coaching alone. Other factors could have had an impact on the change in the results.

In order to measure the impact of coaching, coaching Return on Investment (ROI) is computed (Taylor and Francis, 2010). According to Taylor and Francis (2010), the drive toward using coaching ROI is meant to assure businesses that there is a direct financial gain from coaching. The coaching ROI formulae is as follows (Taylor and Francis, 2010):

Coaching ROI = (Gain from coaching investment ÷ total cost of coaching) X 100

MULTIPLIED BY   percentage gain caused by coaching

MULTIPLIED BY   level of confidence

Whereas:

Gain from coaching refers to measures like increased profitability, monetary amounts saved from reduced absentees, increase productivity etc.

Total cost of coaching refers to coach fees, value of working hours lost by coachee attending coaching session, value of working time lost by an internal coach while coaching a colleague etc.

Level of confidence refers to how confident you are that coaching caused the changes ascribed to it.

In describing the measures of coaching, Haneberg (2006) states that success is only when the client is successful. Success in coaching should be measured only in the eyes of the client to the coaching process. These improvements from coaching can also be noticed by the coachee's friends.

5.7. Appropriate Measures for Financial Advisor Coaching and Conflict Transformation

Having identified the challenges encountered in the life assurance sector with regards to financial advisors empowerment, it is appropriate to briefly discuss the most appropriate measures which life assurance companies should consider, in order to determine coaching effectiveness and conflict transformation. As indicated before, the life assurance sector is ageing and racially skewed with 60% being white men 50 years and older, while only 10% of financial advisors are mostly black Advisors under 30 years of age (The Institute of Practice Management, 2010, p. 2). If a life assurance house were to implement coaching, it would need to see if the racial and age composition of their advisors is changing among advisors.

Another problem encountered in the life assurance sector, with regards to financial advisors is the high attrition of new financial advisors. About 50% of new financial advisors are lost every year during the initial three years of joining the industry (Pers comm., 8/8/2013). If coaching is implemented, there should be a measure specifically tracking new advisor attrition.

According to Rich (1998), to reach their full potential, sales people need to also be coached. Life assurance companies run 'Broker Schools' where advisors are taken through different training levels (FA News, 2/2/2007). An appropriate coaching measure would be, how many financial advisors have been coached and for how many hours. Is there a relationship between hours coached to factors such as attitude to coaching, value of sales, quality of financial advice given to clients and level of engagement.

There is a need to have measures which track the progress of financial advisors from different racial groups. This is in line with CRT which questions neutrality, objectivity, blindness and meritocracy in organisations (Dixson and Rousseau, 2014) when, in fact, such organisation may perpetuate institutionalised racial power (Parker et al. 2008).

This dissertation argues that life assurance companies should provide different financial advisors with relevant interventions which take account of their diverse backgrounds. Coaching has been argued to be the most appropriate intervention, especially to avert future potential conflict which will be the likely outcome if the status quo is maintained. A longer term extension to the current study might consider the extent to which financial advisor training and coaching reduces the incidence of conflict, either between the sales manager and financial advisor or at organisational level. This would precise whether the longer term conflict transformation outcomes being achieved or not.

5.8.   Conclusion

This chapter argued that Gestalt Therapy is an appropriate approach to the coaching of financial advisors. This was proven by comparing the fundamental assumptions of the Gestalt approach to qualities which make a financial advisor successful. To harmonise the racial disparities, it is argued that facilitators of training and coaches be more aware of the impact of historical racism in shaping current skewed outcomes. The chapter also argued that to achieve sustainable change in outcomes over the long term, life assurance companies need a supportive coaching culture. The four methods of measuring financial advisors coaching were discussed and the chapter closed by identifying other appropriate measures which should be used to measure coaching outcomes for financial advisors, especially in the context of empowerment and conflict transformation. The next chapter concludes this dissertation and briefly recommends potential appropriate action for life assurance companies.

CHAPTER 6
Recommendations and Conclusion

6.1. Introduction

This dissertation argued for the use of coaching to improve financial advisor outcomes in the life assurance industry. It argued that the continued racially oriented disparities are unsustainable in the long term and likely to lead to conflict. Coaching was deemed to be an effective intervention, especially using Gestalt approach, given the variegated backgrounds of financial advisors. The dissertation further argues that CRT is central to understanding racial disparities. To make coaching sustainable, and to enable transformations of the workplace environment, this dissertation argues for the establishment of a coaching culture and to justify this investment, explores appropriate measures to be used. In this chapter recommendations are made to life assurance companies taking into account the current state of affairs as discussed.

6.2. Recommendations to Life Assurance Companies

Having discussed the issues encountered in the development of financial advisors in the context of empowerment, CRT and conflict transformation, the researcher recommends the following:

(a) It is apparent that the main focus of financial advisor training programmes is classroom based (see analysis in Chapter 4 from different life houses like Liberty Life, Sanlam, Old Mutual and Momentum). There is no documented attempt by life assurance companies to deal with racial disparities and empowerment in financial advisor training. Financial advisor training is oriented towards neutrality, meritocracy and complying with the legal prescription that an advisor should have at least an NQF level 5 qualification and pass the regulatory exam. To transform conflict arising from the differential development of financial advisors who originate from different cultural, ethnic and linguistic backgrounds, amongst others, it is recommended that life assurance companies should augment classroom training with formal Gestalt coaching which is an ideal approach to coaching people coming from different backgrounds (see analysis in Chapter 5 on why the Gestalt approach is ideal for financial advisor coaching).

(b) From analysing training programmes we know that limited coaching done is provided by sales managers who do not themselves have coaching training. Such coaching does not take into account racial inequalities, varying financial advisor backgrounds and pursuant potential conflict. To be effective, all sales managers with coaching responsibilities need to be sensitised to racial inequalities, be accredited and go through at least 30 hours of foundation coaching training and 15 hours of coaching practice (Keddy and Johnson,

2011). It is therefore recommended that life assurance companies send their sales managers for formal Gestalt oriented coach training.

(c) Many times it is difficult to prove that coaching has led to the improved results (Fairhurst, 2007). It is recommended that before coaching begins, specific measures to evaluate coaching are agreed upon and a control group (made up of a random racially representative group of financial advisors not being coached) is put in place. Every quarter the relevant metrics of the group of financial advisors being coached is compared to the control group. If the results are positive, the life assurance company should expand the coaching programme to encompass all financial advisors.

(d) For any coaching intervention to be effective over the long term, it needs to be supported by a coaching culture characterised by open communication and a high trust working relationship (Wilson and Gislason, 2009). This culture should take into account individual development needs based on the financial advisor's needs. It is recommended that life houses establish a coaching culture in their organisations. This will help them achieve racially representative teams of financial advisors, who are effective and empowered and reduce attrition and the likelihood of conflict.

6.3. Conclusion

This dissertation has shown that coaching produces positive qualitative results (Passmore, 2006). On the other hand life assurance companies in South Africa still focus much of their financial advisor training on classroom training. This is despite their employing financial advisors with different backgrounds compounded by the differences which continue to exist between township and suburb schools (Equal Education, 2011).

As has been argued, it is not the extent of inequality but its nature which leads to violent conflict (Kanbur, 2007). Interventions currently being used are failing to bring desired results quickly. For instance, in the 2013 review of the Financial Services Charter, the skills development dimension underperformed on both the current codes and revised codes (KPMG BEE Survey, 2013). A survey by the Department of Labour (2013) revealed that 72.6% of all top management positions were held by white people who comprise only 8.9% of total population, while black people held only 12.3%, though they form 79.2% of total population. According to Steward et al. (2005) horizontal inequality is associated with conflict and Brinkman et al. (2013) argue that violent conflict worsens inequality. All this point to the need for an effective human resources development intervention which produces significantly better results than the current approaches.

If life assurance companies were to successfully implement formal coaching programmes, they should aim to establish a coaching culture. In the long term, transformation should be realisable in the form of improved outcomes for all racial groups. This thesis has argued that the Gestalt approach to coaching financial advisors is beneficial because it increases their self-awareness and the coach when approaching the coachee takes account of their background. This results in an improved goodness of fit between the recipient of the coaching and the work environment, since it enables the development of several skills including the ability to relate better to their colleagues thus creating a better corporate culture in which they thrive for the good of the organisation and of their families. In conjunction with this, the use of CRT can substantially improve the awareness of the long term negative results of racism in the life assurance sector, because it does not assume that all financial advisors have equal access when they enter the labour market. Rather CRT recognises barriers to entry and obstacles to career advancement based on the person's racial background. Given the potential of coaching strategies that combine Gestalt and CRT to reduce conflict and promote well-being, this study concludes that such an approach can provide valuable assistance in the transformation of the financial services industry which in turn would support broader societal transformation and promote sustainable peace in South Africa.

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Appendix A: Different Types of coaching

Types of coaching refer to the differing situations that a coaching intervention is designed to resolve. Williams (2008) states that we are on the verge of a fundamental shift in personal development where people actively seek different kinds of coaching help. These different types of coaching can be used, where appropriate, in the training and empowerment of financial advisors. This appendix discusses different types of coaching found in literature.

A.1. Life Coaching

The fundamental premise of life coaching is that if you know your values you are more likely to lead a more satisfying life. Zeus and Skiffington (2000) report that life coaching covers areas such as retirement coaching, singles coaching, partnership coaching. Williams (2008) projects that life coaching is likely to keep flourishing as it is helpful and can be transformational for individuals.

A.2. Business Coaching

Business coaching is aimed at coaching people to produce desired business results. Leimon, Moscovici and McMahon (2005) stipulate that business coaching encompasses a wide range of applications and skill sets to personal effectiveness, career focus and assertiveness. These include executive and leadership coaching, team coaching and career coaching.

A.3. Executive or Leadership Coaching

Executive coaching is a collaborative relationship between the coach and an executive aimed at enriching the executive's working and personal life (Zeus et al., 2000). Executive coaching is also known as leadership coaching (Nelson, Boyce & Hernez-Broome, 2011). Executive coaching can be used to deal with life skills, performance and preparation for a future assignment.

A.4. Career Coaching

Different types of business coaching can be classified under career coaching which include peer coaching, mentoring and team coaching. Bianco-Mathis et al. (2008) state that career coaching concentrates on guiding an individual along a career path from one level to the next. Career coaching is one of the most results oriented coaching processes because of the clearly defined work results desired (Cox et al., 2009).

A.5. Sports Coaching

Mile and Craine (2004) state that in sports coaching the role of coaching is to develop and improve people in a sporting context. Though sports coaching has a specific focus on sports; it is multi-disciplinary in nature also encompassing subjects like psychology, biology and nutrition.

A.6. Cross Culture Coaching

Law et al. (2007) state that cross cultural coaching is aimed at enhancing performance of people from different cultures. It is also aimed at people from different countries so that they have a better appreciation of their host culture (Law et al.; 2007. The primary purpose of cross culture coaching is to increase the coachee's appreciation of cultural dynamics which will be of value to him/ her.

A.7. Transformational Coaching

Cox et al. (2009) assert that transformational coaching focuses on freeing a coachee from a stuck state to achieve a fundamental change. It presumes that people can change rapidly if they are given the right tools and experiences (Ashley et al., 1999).

A.8. Peer Coaching

Peer coaching is collegial between professionals of similar rank or status and focuses on expanding and improving their existing skills (Huston and Weaver, 2008). Huston et al. (2008) state that peer coaching can be reciprocal or one way. In reciprocal coaching each peer aims to impart to the other, the skills he/ she is strong at. In one way coaching, only one peer is acting as coach in a specific area of interest.

A.9. Group Coaching

Group coaching refers to a coaching working with a multiple of individuals all at the same time, whether or not these individuals are working towards common goals or personal goals (Collins, Eisner and O'Rourke, 2013).

A.10. Team Coaching

Team coaching is a subset of group coaching and occurs when an organisation attempts to improve coordination and use of collective resources by a team (Hackman and Wageman, 2005). De Vries et al. (2010) state that there are three different thrusts which team coaching

can take namely; coaching the team towards a shared vision, team identity and multiple levels of team leadership.

A.11. Developmental Coaching

The focus of developmental coaching is developing employees to assume more responsibilities. Hunt and Weintraub (2010) stipulate that developmental coaching is mainly suitable for employees whose jobs are being enriched.

A.12. Skills and Performance Coaching

Caplan (2003) states that skills coaching is aimed at mastering specific skills to complete a task, project or activity while performance coaching is aimed at improving the general effectiveness of the coachee in his/ her current position and not focused on specific skills (Caplan, 2003).

Appendix B: Coaching Models

Coaching models are the frameworks that support the intuitive coaching process (Wilson, 2007). According to Lennard (2010), there are several reasons why coaching models are useful. Firstly, a coaching model helps articulate what a coach does, secondly a coaching model facilitates learning during the coaching process, and lastly coaching models help the coach generate interesting questions and uncover new challenges. Though the overarching goal of all coaching is to positively impact the coachee, fundamental beliefs about performance differ among coaches and as such the preferred models used. Coaches select their models on how they envision the individuals should follow in the coaching process (Barner *et al*, 2005). It is important to understand coaching models for the purposes of selecting the most appropriate to apply in financial advisor training and empowerment.

Notwithstanding the coaching model used, Joao (2011) argues that coaching follows three stages: **contracting**, which is the beginning of the coaching, the **main body** which involves goal setting and reflection and lastly **closing**, which is concluding the coaching relationship. According to Wilson (2007), all coaching models are largely similar and the three stages above should guide the coach notwithstanding the coaching models he or she uses.

There are several models which coaches use. However despite the multiplicity of models, Barner *et al* (2005) provide four overriding coaching categories which all models fall into namely; clinical, behavioural, systems and social constructionist. According to Barner *et al* (2005), no category of models is superior as they each offer a distinctive advantage in some specific area.

According to Barner and Higgins (2007), the goal of clinical coaching models is to change self-image, while behavioural oriented models are concerned with how to help the client change problematic behaviours. In system oriented coaching models, the goal of coaching is to align the client's personal and business goals while in social construction models, the focus is to helps the client experience new reality in their role in the organisation (Barner and Higgins, 2007).

Barner and Higgins (2007) also state that the perceived source of change differs depending on the coaching models. In clinical models, change is deemed to be originating from inside, in behavioural models change is achieved by changing behaviour and thoughts (Barner and Higgins, 2007). According to Barner and Higgins (2007), in system oriented models, change is deemed to come from interactions with colleagues, clients, systems and personal characteristics of coachee, while social constructionist models deem change to come from the coachee's own stories and stories about the coachee hears from others.

There are many coaching models in operation worldwide. Using Barner and Higgins' (2007) classification model, the PRACTICE model would be classified ad clinical, while solution focuses

model would be behavioural. Systems models would include GROW, Egan's Framework, Dexter and Dexter Atheoratical sequential and ACHIEVE models.