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"My win, your loss" or the Zero Sum Game: The Mind-set of Financial Markets Executives

Sylvana Caloni

The power and interconnectedness of global financial institutions and the impacts they have on the economy more broadly compel us as coaches and consultants to have some understanding of the mind-set and drivers of financial market executives. The author draws on her first-hand experience as a senior financial market executive, as well as her conversations with ex-colleagues and current coaching clients. It is through demonstrating what is missing in their conversations, what are their blind spots, that coaches add value. In gaining some familiarity with the behaviours, values and attitudes that underlie the "zero sum game" the coach can ask the illuminating or provocative questions. By "walking a mile in their moccasins" the coach can operate from compassion and acceptance rather than blame, making us more effective listeners. As global citizens, we cannot hide behind ignorance, platitudes or resignation in shaping the societies in which we live.

WHY FOCUS ON THIS SECTOR?

Undoubtedly the global financial markets crisis has had far reaching impacts on the economies of developed and less developed countries alike. The turmoil has spawned a plethora of books, articles and documentaries re-enacting, for example, the final hours before Lehman Brothers was allowed to fail. These investigations consider the root causes, speculate on what is different about this cycle, even look at the similarities to the Great Depression. Yet, many of these explanations don't focus on the human beings, the financial markets executives involved[1]. Much is ascribed to institutional factors, such as the repeal of the Glass Steagall Act in 1999, favorable tax incentives for housing in the US, and monetary authorities keeping interest rates too low for too long.

Perhaps due to my prior employment as an Executive Vice President and Fund Manager at Bankers Trust Financial Group, I am sensitive to the gnashing of teeth and finger pointing at the "evil" CEOs, shareholders, investors and the creators of the complex financial markets products which contributed to the near implosion of the global financial system. The popular press and, disturbingly, some within the more "enlightened" coaching communities rail against "them." Such responses and condemnation have stimulated me to consider what is our responsibility as citizens and coaches? Who amongst us can cast the first stone? How many of us didn't take

1. Anderson (2008) comes close in what he nominates as "The Seven Habits of Highly Defective People" (pp. 294-299), yet his novel is a humorous and cynical account of egregious behaviour. Sorkin (2009) and Tett (2009) provide minutiae of meetings and the backgrounds of the executives, yet don't quite join the dots of what is the link from their mindset to their behaviour.

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advantage of low interest rates and so contribute to the insatiable desire for easy credit? Who of us acted as responsible investors and made complaints or enquiries of our pension and mutual fund managers? Might we all be accountable, to a greater or lesser degree, for how our societies and capitalism have developed and how financial markets have become devoid of morals and values? Or perhaps, more appropriately, might financial market executives be unconscious of the morals and values that are implicit in their complex financial models and the consequences for market interactions? Whilst as in law ignorance is no defense, it is too easy to blame "them."

Might we all be accountable, to greater or lesser degree, for how our societies and capitalism have developed and how financial markets have become devoid of morals and values?

Let me hasten to add that my former employment has not rendered me an apologist for the reckless behaviour of some financial market players, their sense of entitlement or their downright exploitation of naive consumers. However, the majority of employees in what we in London call "the City" or Americans call "Wall Street" are hard-working and doing the best they can within the constraints of their beliefs and values. I contend that as with all conflict, a sense of compassion and "walking a mile in the moccasins" of financial executives is essential if we are to play a role in avoiding a repetition of the egregious behaviour that has taken place.

I'm curious about what motivates financial markets executives beyond the platitudes of "fear and greed?" I am not convinced that greed, as distinct from self-interest, is a basic human characteristic or, as many argue, in the DNA of the bankers (Schama, 2010). It is too easy for the bankers to excuse their behaviour by resorting to this defense and too fatalistic for a profession that champions change and transformation not to challenge it.

Generally, I believe greed is learned and reinforced by rewards provided in context and under a certain set of values. Without being Pollyanna, I'm curious about what is needed to shift these executives from greed to a broader sensibility that is accountable for the collateral damage of their decisions, investments and products? What is it that financial market executives care about? To what are they blind? How does their thinking impact their behaviour? Are these ways of thinking and behaving immutable?

Luminaries within the international coaching community, such as Julio Olalla and Sir John Whitmore, call us forth as coaches to be informed about world issues. What is it that we need to be aware of in the culture of this most powerful of industries? What is that we as coaches can uncover for these executives? Furthermore, many coaches profess to a purpose to make a difference and create a better world. What then is our responsibility as coaches to engage with these executives?

My curiosity was piqued further on reading Bill Bergquist's interview with Julio Olalla (2008) in this journal. I wondered

how much of the cosmology[2] of modernity as articulated by Julio (rational and reductionist thinking, focus on the individual, scientific method and technological solutions) is representative of the worldview of the global financial markets. I was motivated to explore the question: Are there other or additional factors that colour the perspective of this group of executives?

What follows is my attempt to uncover and explore the modus operandi and blind spots of a "representative" financial market executive. I illustrate the mind-set using a selection of anecdotes from my first-hand experience in this industry, conversations with my ex-colleagues, and observations of my clients, the majority of whom are employed by global banks, investment houses, hedge funds and financial services companies and face similar issues.

EXPERIENCE AND LENS

For the 15 years prior to becoming an executive coach my roles included bond sales in a dealing room, equity analysis and investment, US and international funds management, and head of global sector equity research teams. I had also attained a Master of Economics degree and had tutored university students in economics. Hence, I was steeped in an economic and financial market understanding and appreciation of the world. I also had the lens of one of a few senior women in an extremely male-dominated industry.

Transitioning from these roles to that of an executive coach, I embarked on several coach trainings, most recently exploring the ontological distinctions as developed by Fernando Flores (Winograd & Flores, 1986) and Julio Olalla (2004) and furthered by Bob Dunham (2009) and in his Coaching Excellence in Organisations (CEO™) programme. I am now aware of the *observer* that I was and am becoming. I have frequently noted when amongst coaching communities that my way of seeing the world and my responses to it are different.

It is my desire to give coaches a better understanding of what motivates their clients in financial markets. In my view, it is our role, indeed our duty as coaches, to know what influences the observer who is our client. Whilst some in the coaching community argue that it is preferable that the coach does not share the coachee's work experience in order to prevent collusion or to provide a fresher perspective, I believe there is value in appreciating the financial executive's discourse. Perhaps an outsider won't collude, but might not an outsider or a neophyte be hoodwinked? Might a coach with no familiarity with the concerns of financial services executives inappropriately pace their clients? Good change work

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2. "Cosmology [is] our relationship to the world and universe and cosmos, [it] has fundamentally been held as a mechanistic phenomenon, and that defines everything. It's a presupposition we live with, and it's been held as a truth that the world is nothing but a human projection that is mechanistic…" (Olalla, 2008, p.7)

dictates that we meet our clients where they are in order to open them to new perspectives.

As with all conflict, a sense of compassion and "walking a mile in the moccasins" of financial executives is essential if we are to play a role in avoiding a repetition of the egregious behaviour that has taken place.

Clearly there are many influences on who I am as an observer. Yet, I think one of the most dominant is my lengthy experience in the investment industry, not only the US shareholder-centric way I engage with the business world, but also in my private life. The primacy of financial worth and numbers, such as rates of return, margins, costs and calculation of risk permeate the way I make sense of my world: what I care about, what I value, what I will and won't entertain, and the opportunities and constraints that I see.

As someone who values individuation and distinctions I do not argue that all financial market executives adopt these perspectives. Indeed, Rock and Schwartz (2006) might argue that specialists such as accountants or salespeople in this industry see the world more like their counterparts in other industries (like fast moving consumer goods [FMCG], healthcare or technology) than fund managers and equity analysts. I hold, however, that the culture of the financial services industry is so pervasive that these accountants and salespeople cannot help but be infused with the worldview or mind-set of the City/Wall Street.

From what I can observe, corporations have the greatest capacity to make changes to the world, more so than governments, non-governmental organisations (NGOs) or charities, although they clearly have a place. It is within corporations that we witness some of the greatest intelligence, power, productivity and global influence. A few years ago, I would have been incapable of making such a statement about change. It would have been anathema to me as profits and the return to shareholders were what mattered to me, not changing the world. If others had suggested that CEOs be more socially responsible and consider the impact of their companies' practices on the wider community, I would have considered it as an interference with profit maximisation as the "right" of the shareholder. In coaching circles, I have been corrected many times to consider all stakeholders, not just shareholders.

Amongst corporations, the most global, the most powerful and largest are financial institutions, not necessarily by market capitalization but by impact on the rest of the economy. Testaments to this are the government bailouts of the banking system and the consequent tax burden on future generations. Many have decried the differential treatment of the banks and financial institutions, whilst other companies were unaided and allowed to go to the wall. The demise of a manufacturer, for example, clearly has an impact on the economy of its local community and suppliers; however, the domino effects are not as global as that of the financial industry. In many ways, the mind-set of this industry perpetuates the disparity of wealth, the exploitation of the weak and less powerful, and the short sightedness, and focus on individuals.

A significant learning from my participation in the CEO™ programme speaks to what offers we make as coaches to our organisational clients. Bob Dunham and Peter Denning's work (Denning & Dunham, 2009) on innovation and change resonates for me. As coaches we are, in effect, innovators, as per their definition: "Innovation is adoption of new practice in a community" (p. 4). It is our role to engage our organisational clients in adopting and sustaining new practices. As Bob and Peter point out, there are three factors to the innovator's success: (1) domain expertise, (2) social interaction, and (3) opportunities (*ibid.*, pp. 19-20). In my articulation of the mind-set of the global financial markets, I intend to provide perspective and distinctions for the reader, from which s/he may make valuable offers to financial executives and assist them in adopting and sustaining new practices.

THE CONTEXT AND UNDERLYING ASSUMPTIONS OF FINANCIAL MARKETS

Without question, financial markets are about money: making and amassing it. Indeed, to some it may appear that executives in this industry "live, eat and breathe" money to the exclusion of compassion, family and personal relationships, community and a healthy balance between work and life.

Through this lens *everything has a price*; a product, a service, a financial instrument, a cash flow stream, a business or a person. If it can't be priced, then it is ignored. The task for the financial analyst is to estimate what that price is by analysing growth opportunities, risk and profitability. The ideal investment opportunity is an asset that has a high growth trajectory, low risk and high profitability. This leads to an almost exclusive focus on "the bottom line." Once a price is determined it is compared to the trading or market price and comparable asset prices. If there is a discrepancy between the valuation and the trading price then a money- making opportunity exists. Or if the asset is trading at a lower price than a comparable asset having higher risk, then an opportunity exists to sell the higher priced asset (short sell) and to buy the lower priced asset (go long).

The goal is to find discrepancies, differential valuations or arbitrage opportunities, where the same product or financial instrument trades at different prices in different markets or at inappropriate discounts given the differential risk profile. After all, if a buyer didn't have a different valuation from a seller then no trade or exchange would take place. The maxim *is buy low and sell high*. Funds are invested or allocated based on the best expected return resulting in constant shifting between assets in search of higher returns. This shifting will take place in the equity markets between companies in different industry sectors and if the investor is able to invest across asset classes, then broadly between equities, interest rate securities, property and cash.

Since people can also be "priced," they are generally treated as resources or "fungible assets," rather than humans with a range of emotions, aspirations, motivations and different communication styles. This encourages an attitude of "taking care of number one." In extreme cases there is little trust, no personal loyalties or tolerance for underperformers. Looking out for oneself also encourages a short-term focus and maximisation of individual remuneration, in particular, bonuses at the expense of long-term growth and profitability of the overall corporation and the well-being of the wider community.

The primacy of financial worth and numbers, such as rates of return, margins, costs and calculation of risk permeate the way I make sense of my world: what I care about, what I value, what I will and won't entertain and the opportunities and constraints that I see.

Fundamental analysts pore over financial statements and create models to make comparisons and projections. They rely on superior information and those who have less or inferior information are considered fair game to be exploited. This view leads to the concept of the *zero sum game*. There is a scarcity of resources, my win is your loss and vice versa. Hence, competition rather than collaboration is fostered. The market shows no mercy, further reinforcing the need for superior information, rationality, and self-serving decisions.

Following from economic tradition, markets are considered neutral, value-free and rational. On the face of it, the consideration of morality is omitted in market transactions. It is thought that the inclusion of morals or societal values in the models on which the market is based is a corruption and interferes with the efficient allocation of resources. This so-called neutrality is blind to the fact that the very inclusion or exclusion of variables or what Meyer and Kirby (2010) call "externalities" in the financial models is itself a function of a particular set of morals and societal values.

Further, it is believed that markets are cyclical and self-correcting due to the "law of demand and supply." Competition, which can lead to a "dog eat dog" world, is the best form of organisation. If irrational exuberance develops, prices will become too high and demand will fall off. If, on the contrary, there is excessive pessimism, then prices will be driven down to a point where they become attractive again. Consequently, government intervention and regulations are to be eschewed. Indeed, following this to its logical conclusion, one of my clients argued that the governments should not have bailed out the banks and financial institutions in the current crisis. His view ignores the prolonged human suffering and the collateral damage that would have resulted from the implosion of the global financial system.

THE MAJOR INFLUENCES THAT SHAPE AN OBSERVER IN FINANCIAL MARKETS

Relationship to money: The common denominator

I remember the first trade that I brokered. I was a graduate hire on the bond desk and I was nervous as I closed a deal for A$5 million (five million Australian dollars). It seemed such a phenomenal sum

of money. It would turn out to be "chicken feed" relative to the sums I invested for our equity funds in the future. There began my disconnection between the numbers, the vast sums of money I was dealing in and the people behind them. I never saw any cash. I saw prices on a screen, order chits and daily reconciliations of the desk's performance. I wonder how much my colleagues were impacted by the fact that we didn't see tangible goods, impacts or results of our services.

Our remuneration wasn't called a wage or salary. Throughout the year my worth was determined by my total "cost to company" (CTC). I always figured we were underpaid, by only receiving a base income and having to wait till year end for our bonuses. (Clearly, "underpaid" was a relative assessment, since our pay even at the outset was well above the national average.) As I saw it, the company benefited in terms of cash flow due to our deferred payments. Whilst the bonus meted out was based on performance, we felt we were entitled to it. We were "owed it." So although our bonuses did fluctuate with performance, some of the intention of a bonus as an incentive or reward was blunted. We expected bonuses. The question was, "how much?" The more senior we became the more our bonuses became multiples, not fractions, of our base.

When I moved to equity funds management, I was given a salutary piece of advice by a senior colleague. He advised me not to put a P/E (price earnings ratio, implying earnings into perpetuity) on my remuneration. However, many within the industry flagrantly ignored such advice and set their standard of living on their total expected remuneration, rather than their unwavering base remuneration. Some took out huge loans to invest in stocks. In some cases such an attitude would lead to their near ruin. The recent financial crisis saw stock prices plummet and the risk of margin calls. As a consequence, some felt threatened to have to sell assets, move out of the city to the suburbs, and pull children out of extremely expensive city schools.

We justified our remuneration with the perspective that it was an infinitesimal percentage of the huge sums of money we dealt with in our trades and investments. I still have sympathy (perhaps a blind spot) with this argument. I am trying to reconcile the challenge offered by an associate in the telecommunications industry. He argued that if his industry took that view, how much should he be paid when his service (provides not an infinitesimal, but) a significant portion of his customers' telecommunications requirements?

Whilst most people aspired to a title and the kudos associated with more senior titles, what really mattered was how much we got paid: making "a bar" (a million dollars) was what drove us. Our self-worth became inextricably linked with our remuneration.

Sense of entitlement

The asymmetric nature of bonuses reinforced our sense of entitlement. That is, where a trader or investor does well for the firm at year end she benefits from the profits. However, where she incurs a loss the bonus will be reduced or in the worst case no bonus will be received. S/he never gives back the base remuneration. So the person never really bears the full consequence of his or her actions.

Since people can also be "priced," they are generally treated as resources or "fungible assets" rather than humans with a range of emotions, aspirations, motivations and different communication styles.

We have seen the more extreme example of this asymmetry in the global financial crisis when the profits are privatised and the losses socialised as taxpayers bore the brunt to keep many of the banks alive as they faced the abyss. Hence, I listen with interest as the G20 countries grapple with ways to regulate bonuses in the financial markets.

I've reflected on this sense of entitlement that goes beyond bonuses. It permeates the existence of the financial markets' employees. Take, for instance, today's headline following the chancellor's imposition of a 50% tax on bonuses: "I feel like Jesus – crucified for the sins of others."[3] Whilst the employee argues that he is "one of the little people" not responsible for the calamity in the industry and places the blame on the CEOs of failed companies like Bear Stearns, AIG and Lehman, he is blind to the fact that he gets a bonus in the first place because of the peculiarities of this industry. In other industries it might be argued that one receives a salary for doing a job well, not a bonus for a job well done. Given the sense of entitlement, there is no recognition that if the governments had not stepped in, it is highly likely that most financial service employees not only wouldn't have received bonuses, they may not have had jobs at all.

The current near record bonuses following the quasi-implosion of the industry to many is not only galling, it seems inexplicable. However, it can be explained due to the government actions to *stabilise* the system , not to act as savvy financial operators who would have extracted the highest return from their beleaguered "clients." If the governments had been financial operators, they would have exploited their ability to create money and charged usurious rates for the injection of funds to keep the financial institutions afloat. Arguably, the big financial institutions got off too lightly. As confidence in the system plummeted, the wounded institutions withdrew from the market to rebuild their capital bases. This enabled the better capitalised players to take advantage of the contraction in competition and the widening of margins. Their profits recovered and they were able to easily and quickly repay the funds.

In the UK, many financial executives are affronted and disgruntled by the government's attempts to claw back some of their bonuses

3. http://news.hereisthecity.com/news/business_news/9664.cntns

with one-off taxes. Several are threatening to leave the UK for other lower taxed financial centres. Last year the public was outraged by the payment of huge bonuses to the CEOs and senior executives of these failed companies. Defending themselves such CEOs argued that they were victims of circumstances beyond their control. Sandel (2009) raised an interesting question:

> If big, systemic economic forces account for the disastrous loses of 2008 and 2009, couldn't it be argued that they also account for the dazzling gains of earlier years?... there's good reason to question their [CEOs'] claim to outsized compensation when times are good. Surely the end of the cold war, the globalization of trade and capital markets, the rise of personal computers and the Internet, and a host of other factors help explain the success of the financial industry during its run in the 1990s and in the early years of the twenty-first century. (pp. 17-18)

As I reflect, one of the questions that engages me is this: the financial market is as it is, but does it need to be so? Would the very core of its existence, the generation of profits and the accumulation of wealth, be jeopardised if this perspective on entitlement were shifted? One financial market executive with a contrarian view on this issue is the renowned and extremely successful investor, Warren Buffett ((2009). In an interview, he explains (2009) that he and Bill Gates recognise that they are privileged to live in a society protecting property and legal rights, thus providing security and profitable investment opportunities. As such, they choose to give back to their community through various foundations.

Generally, executives in the financial markets industry do not share Buffett and Gates' perspective and don't see themselves as beneficiaries of a privileged system. Rather, they see it as a right; just as humans are considered to be top of the food chain, some financial markets executives see themselves as top of the human chain. They are very much focused on individual achievement or at best, the achievement of their firms relative to the competition. What might change if they were assisted to broaden their perspectives to encompass the impact of their behaviours on the wider community and their debt to the wider community?

Compartmentalization and an impoverished appreciation of interconnectedness

Perversely, for an industry that is so interconnected globally, there is little regard for the collateral damage connected to its actions. Perhaps this is partly due to the analytical process itself. In pointing out the errors in the valuation of technology, Boer (1998) argues:

> In summary, financial analysts are analyzers – they are comfortable dissecting projects into their components. It is a narrow but useful discipline. The best technologists

> are synthesizers. They think broadly, are often in a domain where there are no quantitative tools, and use the language of technology. In this game, gut feel and a sense for the future, and connectedness to the larger technical community count for as much as technical competence. (p.12)

It is thought that the inclusion of morals or societal values in the models on which the market is based is a corruption and interferes with the efficient allocation of resources.

In retrospect, I now realise that I was a culprit of the disregard for interconnectedness. In 2002, BT Australia was sold and my role as Head of the Global Financial Services Sector Group was made redundant. Fresh from this redundancy, I attended a "Be the Change" conference in London. I bristled as participants and presenters would decry rapacious shareholders and CEOs. I sat through many presentations detailing, for example, the desertification of Africa. My thoughts were, "It's sad, but what has it got to do with me, with shareholders and CEOs of large companies?" My focus and that of my ex-colleagues was very narrow. We didn't consider the collateral damage, the "externalities." Our perspectives were parochial, and I did not think it was our responsibility. As I saw it, our responsibility was to maximise shareholder value. This often entailed supporting company managements who reduced costs by sourcing cheaply from lesser developed countries, keeping a lid on the wages of lower ranking employees and leveraging their infrastructure by acquiring or merging with similar companies.

Stephen Green, the Chairman of HSBC and a Church of England priest, is another maverick in the financial services industry. He expressed my view more eloquently. He stated:

> Compartmentalization is a refuge from ambiguity; it enables us to simplify the rules by which we live in our different realms of life, and so avoid- if we are not careful- the moral and spiritual questions. One of the most obvious and commonplace manifestations of the tendency to compartmentalize is seeing our work life as being a neutral realm in which questions of value (other than shareholder value) or of rightness (other than what is lawful) or of wisdom (other than what is practical) need not arise. (Green, 2009, p. 18)

This realisation created tremendous shifts in me as an observer.

Value of superior information:
Exploit the arbitrage or be exploited

On the bond desk we had regular sport by taking advantage of one of the market makers who notoriously took long liquid lunches on a Friday. As I saw it he was "fair game." A market maker is a trader who at any time could be asked to "make a price" by a customer. That is, he would have to provide simultaneously a buy

price *and* a sell price. He would have to stand prepared to deal on either price he quoted. As he was frequently "out of market", that is, unaware of the latest prices due to his late return, he was likely to either be buying too high or selling too low. As my colleagues and I used to chuckle, it was "money for jam."

That same trader, who was also in the curious position of being my customer, would sometimes give me an order to sell obscure bonds in his portfolio into the London market. He would arrogantly give me a selling price that he didn't think I could achieve. The industry tends to encourage one-upmanship and a "know it all" attitude. He would be astounded the next morning when I reported that I had completed the order. Little did he know that I had made a killing on his order as the London buyers were prepared to pay much higher prices than he had instructed.

When I moved to the funds management group our stock meetings resembled bouts of jousting. We were to present our investment idea for the scrutiny of the portfolio managers and our analyst peers. The role of the participants was to test the investment case and the risks associated with it. Sometimes it felt more like the people as well as the ideas were being demolished and my colleagues were point scoring. Prior to one of these meetings, the portfolio manager had invested a meaningful percentage of the funds in one of my recommendations. He clearly believed the investment opportunity was substantial, yet he skewered me in front of my peers. His view was that markets are tough, you had to have an unassailable view, and he was concerned I was too even-handed in my analysis. I remember holding back the tears to keep it together. Once the meeting was over, I escaped to the toilets, bawled my eyes out, then recovered my composure, and returned to my desk as if nothing had happened. Just yesterday one of my few female executive clients started to cry as she revealed that she had commenced divorce proceedings. She apologised profusely and stated "crying is weak." *Plus ça change, plus c'est la même chose.*

Analytical expertise may translate to a tendency to literal translations or narrow interpretations. Precision, while essential, can get in the way of a broader perspective, common understanding or shared sense. Like many of my clients, I privileged thinking and rational explanations, and dismissed feelings or emotions. Much of my work these days involves reacquainting my clients with their emotions and moods, recognising that burying or ignoring moods of resentment or resignation will not prove successful in leading their teams or achieving their commitments.

Scepticism, challenge, and prove it

Investigating a stock opportunity was like investigative journalism. As we were fundamental analysts, we didn't rely on brokers' recommendations. Although we would use their models and number crunching, we added our assumptions on margins, growth rates,

interest rates, etc. Indeed, we tended to disregard the brokers as we thought their views were not impartial. Many of the brokers did not recommend strong sells. Often their corporate finance teams were working with the companies they were recommending to raise funding, bring them to market, spin out some of their businesses or work on mergers and acquisitions. Also, we did not pay much attention to technical analysts or chartists, believing that their Fibonacci numbers and "head and shoulder" formations were not much more than financial astrology![4]

Whilst most people aspired to a title and the kudos associated with more senior titles, what really mattered was how much we got paid: making "a bar" (a million dollars) was what drove us. Our self-worth became inextricably linked with our remuneration.

Further, in this industry, Product Disclosure Statements are plastered with disclaimers, e.g., "past performance doesn't guarantee future performance." To me, "advice" is just another data point in my synthesis of information and analysis. I would rarely accept advice unequivocally. In fact, as per our stock meetings, I would challenge the information I was given.

Hence, when as a coach I was trained not to give advice, I was initially bemused. It had not occurred to me that a coachee needed to be protected from the coach's advice. I would have expected him or her to take my advice as something to analyse: either take it on board if it is constructive, tweak it to be more effective, or simply throw it out if not helpful. My scepticism remains a strong response, one which my teachers and coaching cohorts often find frustrating.

I frequently encounter scepticism amongst my clients. As their roles revolve around estimating and minimising risks and ascertaining superior knowledge to their competitors, they do not easily entertain ideas that are outside their ken. The hours of sifting through financial statements and creating models can lend themselves to the practices of perfectionists: hard task masters, intolerant of underperformers.

Also, the insatiable need for more information can get in the way of courageous conversations or more effective instructions to younger analysts on how to complete, for example, an investment report. Not surprisingly, the intolerance of others' competence is reflected in many of my clients' lack of self-compassion. Some are distrusting of others and are fearful of delegating. Hence, when additionally faced with extremely long hours and performance stress, they can become overwhelmed.

Assess, compare and contrast

We argued that our stock selection process focused on three main issues. First and foremost, the quality of management; second, the quality of the franchise (i.e., was it an extremely competitive market where the company had little influence over pricing or

4. Some traders rely on patterns that emerge in charted price movements. From these patterns they determine when to buy and sell an asset. The decisions are based on a repetition of those patterns and are devoid of fundamental analysis. The Fibonacci numbers are a mathematical sequence and are used in the financial markets in trading algorithms, applications and strategies.

one in which they had some dominance and could set prices or differentiate their products to gain a premium price?); and third, the price arbitrage. That is, what was the market valuing the stock at versus our assessment of its worth? In addition, with our roots in contrarian value investing, we would turn the market's assumptions on their head, looking for opportunities on the stocks it disregarded.

We kicked the tires by visiting the company managements, their factories, distribution centres, plants, mines, forests etc. We spoke to their competitors, suppliers, customers and distributors. Anyone who could give us an edge on the information was a target (whilst staying within the bounds of publicly available information; no insider information). We poured over financial reports and statements, annuals, quarterlies, etc. We would create spreadsheets to compare the stock against its competitors, against the market, against other stocks in other industries and internationally to get a strong sense of its relative valuation and to leave no stone unturned.

We would compare and contrast, seeking patterns and dissimilarities to assist us in our assessment of valuation and alternative investment opportunities. To this day I still find it hard to purchase spontaneously, be it clothing, fruit and vegetables, or appliances. I need to establish what is the market or fair value, where can I get it cheaper, is it value for money, etc. In social conversations, I can find myself comparing others' anecdotes and experiences with the patterns I recognise or recalibrating their experiences to my known patterns. This can frustrate those who may feel that their unique experience is not being honoured or that I am not fully present to them as I mentally compare and contrast. I also find that any decisions or analyses I need to make are much clearer to me if I can set up a spreadsheet. Those without a financial markets background can find my spreadsheets intimidating and invalidating of their own assessment process.

Curiously, this analytical expertise which informs my clients' decisions in their investments of millions or billions can also render them victims of "analysis paralysis" in terms of their personal decisions. Perhaps it is the ability to disassociate from the personal consequences when making investment decisions for mutual (retail) and pension funds or mergers and acquisition targets that allows them to confidently buy or sell an asset. Yet when making a career decision, they can be torn by keeping all their options open. The very act of keeping too many options open and the fear of missing out on the best (usually financially lucrative) position can keep them stuck and anxious.

The compare and contrast mode of seeing the world extends to comparing and contrasting our worth, generally in financial terms. It may also fuel a judgemental approach. In my clients, I often see

a lack of tolerance of their colleagues and direct reports judged to be different; read "inferior." It also reinforces dissatisfaction with our achievements or material success, always comparing ourselves to others who earn more or have amassed more assets.

In *Bonfire of the Vanities*, Tom Wolfe coined the term "Masters of the Universe," referring to the bond dealers. In equity markets we too thought we were superior. On the buy side (the investment analysts and portfolio managers), we considered ourselves superior to the sell side analysts (the brokers) who we considered the lackeys of the company managements. We sometimes treated the back office or middle office and support services with contempt. They were the cost centres, the gate-keepers who delayed the processes that would allow us to open a technology fund at the very top of the dot com bubble. They were the "pimple on our rump", whilst we were the money makers, the engine room. Again, these views reinforced our sense of entitlement.

Anderson (2008) makes a salient observation when he states,

> Cityboys (and occasionally Citygirls) become arrogant because their job often requires them to do so. Every day a trader or fund manager buys or sells a share they're implicitly saying that the market (i.e., everyone else) has GOT IT WRONG and mispriced the asset. Hence egotistical decisiveness is key to their job. (p. 193)

Relentless pressure and competition

Our portfolios were valued daily and despite the fact that we were long-term investors we were under constant pressure to outperform the market and our competitors. This encouraged a need to be "right" and to be defensive when the prices of our stocks were not going in the right direction. In the 24/7 world of global markets and constant information I used to relax in Sydney on Sunday when all major markets were closed and before New Zealand reopened. When stock prices are buoyant and your portfolio is outperforming, you feel on top of the world. When market prices are "cratering," the pressure and outcry from your investors can be relentless.

The incessant news feeds mean my clients practically need to be surgically detached from their Blackberries. They report a significant improvement in the quality of their listening and their family relations when they can set boundaries and turn off their Blackberries on weekends or social occasions or when they can be fully present for their direct reports or customers.

The constant pressure to perform and to compete extends across the industry and is fuelled by league tables, rankings and surveys for sell side analysts, for fund performance, for the number of mergers and acquisitions advised, for the number of IPO's (initial

Much of my work these days involves reacquainting my clients with their emotions and moods, recognising that burying or ignoring moods of resentment or resignation will not prove successful in leading their teams or achieving their commitments.

public offerings) brought to markets, for bonds, derivatives, etc. The addiction to relative performance was brought home to me when catching up with an ex-colleague. He explained how it had taken him more than six months after our roles were made redundant to wean himself from checking the daily pricing of his investments.

Value of differential and closely-held information extends to the treatment of employees

As mentioned previously, the value of superior information is critical to the investment and money making process. This power of differential information was not lost on senior management who used it to its advantage in relation to the annual review. Notwithstanding our sense of entitlement to above national average remuneration and our bonuses, management played on our insecurity of tenure and kept young analysts hungry. Contrary to the numbers splashed around in the press these days there was enormous secrecy around our bonuses. At my first review I was warned that if I disclosed to my colleagues the amount that I received, I could be dismissed. It was a far cry from my days as a university economics tutor where we all knew what grade we were on and the associated pay scale.

It was not until many years later, that a colleague disclosed what he had received as his first bonus. He'd been informed it was amongst the highest paid to the graduates that year. I had received exactly the same amount. However, I had no sense of where I ranked relative to the other graduates. The lack of transparency kept me in my place and made me reluctant to challenge how much I received. It reinforced our sense of being "fungible resources" and the hierarchy of the senior money makers.

Although we had a general graduate induction programme, there was a "sink or swim" approach to training. In part this could be explained by a view that markets are tough and we couldn't be cosseted (protected). We had to prove ourselves and to show our mettle. This attitude was echoed much later when explaining to one of my former brokers that I had become a coach. His response was lukewarm. Much of that was probably due to his incredulity as to why I would forgo the amount of money I could earn in the City. He explained there was no sponsorship for coaching at his firm (in fairness it was notorious for being tight on costs and not leading edge in terms of executive development). As he put it, for each junior analyst there were nine standing behind him/her who could easily take the role if s/he weren't performing; at the middle management level there were 2-3 people standing behind the potential coachee. At the top ranks these executives made so much money anyway, why would the firm sponsor them? If they didn't see coaching as a sign of weakness, they could pay for it themselves.

Supremacy of financial figures and blindness to the human consequences

When I started at Bankers Trust Australia in 1988 we used to have the fridges stocked in the dealing room kitchens with alcohol for evening drinks once our reporting tasks and hand-over orders to London were completed. We also had weekly inter-divisional drinks in the boardroom. On Wednesdays we had crackers and freshly sliced tomatoes and on Fridays chocolate biscuits. The "Tim Tams" (Australia's national biscuit) were so sought after that we would come back early from our lunches and client entertaining to get first dibs on them.

So when the Head of the Investment bank was driven to reduce costs in the late eighties he decided to cut the chocolate biscuits, crackers, alcohol and to dismiss our tea ladies. This caused an enormous ruckus. The "bad will" that was generated was legendary. The infamous chocolate biscuit cost-cutting exercise was a classic example of short-sighted focus on bottom line, without any consideration for how we felt valued as employees. It was such a *faux pas* that it allowed our main competitor, Macquarie Bank, to effectively ridicule us by sending a box of Tim Tams. To his credit, after the sale of BT Australia, the MD admitted to me, "I f**d up, didn't I?"

I ascribe this short-sightedness to the supremacy of monetary figures and an associated blinkered view that everything that matters is captured by the price mechanism. Intangibles such as respect, esteem, loyalty and pride are omitted. Paradoxically, it is these very emotions that are responsible for outstanding commitment and employee care which result in superior performance and profitability.

Like my boss, I too was guilty of relegating the impact on employees or suppliers to the category of "collateral damage." I was considered the "queen of takeovers," as I generated significant returns by investing in the consolidation of the radio industry in the US. I saw opportunity for the appreciation of the radio company share prices as managements ripped out costs, leveraged their infrastructure and improved their bargaining positions. I'm now curious as to how sustainable those superior returns were.

Perhaps it was divine justice that I lived through the takeout of my own parent company, Bankers Trust, by Deutsche Bank in 1999 and the subsequent sale of the funds management business of Bankers Trust Australia to Principal Financial Group and then to Westpac. I experienced the dislocation, uncertainty, and negative impact on morale as we awaited our fate in the buying, selling, integrating and then selling again of our business. For my sins, I was informed two days after I was relocated to London that my role would be made redundant. Fortunately, I was not escorted off the premises with my possessions in a box! This was an example of what is known as

Perhaps it is the ability to disassociate from the personal consequences when making investment decisions that allows them to confidently buy or sell an asset. Yet when making a career decision, they can be torn by keeping all their options open.

"Chinese Walls." Even though a decision was being made to sell my company and it would likely impact my life, my colleagues and I (who were not part of the deal) were kept in the dark.

Needless to say, I was discombobulated by this radical change in my circumstances and career expectations, but not as shocked as many of my friends and associates outside the financial services industry who considered my treatment brutal. My experience was clearly an extreme example; nevertheless, it was consistent with the job insecurity in financial services. Redundancies had become so common in the industry that if your role hadn't been made redundant at least once, some considered that you hadn't really made it.

As one of very few senior women in funds management, I was frequently wheeled out to do road shows to our investors: presentations on the economy and our products, TV commercials and radio commentaries. I became increasingly concerned when meeting the "mums and dads" (retail investors or what Americans call "moms and pops"). They lacked knowledge and understanding of their investments. Some had been sold investment products by their independent financial advisors that were not well-suited to their age and risk profile. They would come up to me juggling an orange juice, a sandwich and a funds statement and ask me, "Dear, what is an equity?" In those days, Australian retail investors were not as sophisticated as moms and pops who would pore over the Lipper surveys whilst having coffee and toast on a Sunday morning. This reconnection between the hundreds of millions of dollars I was shifting across the globe and the livelihoods of our clients through the success or failure of the investments I made placed a heavy burden on my shoulders and began my disenchantment with the industry. Paradoxically, that burden can cause you to become too risk averse and not work in the best interests of your investors. Perhaps the focus on numbers and not on people had its benefits.

My boss's advice was that investing was a confidence game: don't ever allow a failure to damage your confidence. Otherwise, the market will eat you alive. Also, don't get emotionally attached to your investors or it will cloud your objectivity.

Financial numbers at the root of most decisions

I am now much more aware of how numbers not only influenced my investment decisions, but also impacted my view and that of my colleagues more broadly in our personal lives. This was brought to my attention by a junior retail analyst who accompanied me on a visit to Macy's. He remarked that I was the only woman he knew who wasn't absorbed by the fragrances and cosmetics and spoke only about returns on inventory, margins, costs and SKUs (stock keeping units).

From more trivial examples such as purchases of clothing to my reaction following my divorce, my financial mind-set has played

a part. When buying an expensive item of clothing, my decision was not limited to how much I loved its colour, cut or style. The clincher was that I considered it a good investment, since more expensive clothes tend to last longer and, hence, on a per wear basis, are actually much better value than cheaper clothing. In the case of my divorce, I wanted to "leverage the infrastructure of my pain" by sharing my experience with my friends so that they might not repeat my mistakes.

He had come to the conclusion that a wife and children were not a good investment, based on a discounted cash flow model. Consequently, he was shifting away from a desire to marry.

That junior analyst, still in the financial services industry and now a senior executive, recently explained to me that he had come to the conclusion that a wife and children were not a good investment, based on a discounted cash flow model. Consequently, he was shifting away from a desire to marry.

Another analyst described to me how he swooped on a harbourside property in the recent retrenchment of the property market, adopting Buffet's maxim: "Be fearful when others are greedy and greedy when others are fearful." No doubt he was also impressed by the prestige of its location. Yet he drove a very hard bargain, having the upper hand in his negotiations with a distressed property developer because he was an astute financial player.

The purpose of describing a small selection of such personal decisions is not a self-styled confessional, but to alert the reader to ask their coachees questions which they may not have considered.

Male dominance: The boy's club

Harriet Harman, a UK politician, recently speculated whether the financial crisis would have been as severe if Lehman Brothers had instead been "Lehman Sisters." In other words, she postulated that the dominance of men and the stereotypical characteristics attributed to the male gender were responsible for the crisis. Clearly, male domination is not peculiar to the financial services industry. However, it is particularly pronounced that men are in the most powerful, senior and most highly remunerated roles in the industry.

After two years on the bond desk, when I decided to apply for a position in funds management, my prospective boss admitted that he had three reservations in hiring me. Firstly, I had been an academic and might not be commercial enough; secondly, I had been in the dealing room so my focus would be too short-term; and thirdly, I was a woman and women weren't good at detail. His last hesitation really surprised me. If anything, I thought he demonstrated remarkable intuition in his investments. He was extremely successful and he had much broader interests than most of my male colleagues. Intuition is more commonly attributed to women. What's more, in my experience, women got into the detail and men tended to be more "big picture." Nevertheless, this reinforced for me how I needed to play down my femininity. Sure, I wore shoulder pads, skirts and stilettos, but I would not

exhibit any emotion, be seen to cry, or be weak. In contrast to this perspective and personal declaration, in the dealing room, one of the foreign exchange traders, who was notorious for slamming down handsets, smashing them and throwing around rubbish bins was tolerated as he was a "money maker."

Consider how these attitudes might affect the behaviour of your coachees if they are senior executive women. They may feel an even greater need to influence others and prove themselves. In my case and in conversations I've had with other women in this industry, we may have overplayed the need to behave in a masculine fashion, with detrimental consequences to our personal health and relationships.

THE ESSENCE OF THE MIND-SET AND BLIND SPOTS OF A FINANCIAL MARKET EXECUTIVE

To recap, here are some generalizations about the worldview, values and blind spots of a financial market executive (coaching client). Like any generalizations, it is up to you, at best, to hold them as useful lies or working hypotheses that need to be verified or adjusted accordingly for the person in front of you.

This client is motivated strongly by money; making it, being evaluated for how much he or she has made, and assessing his or her self-worth by total remuneration. In principle, maximising the interests of the shareholder, the ultimate owner of capital, is paramount. Although clearly in an industry where remuneration is valued more highly than title, job satisfaction or collaboration, maximising one's own return may result in a focus on short-term performance, at the expense of longer term returns to the shareholder and with little or no regard for the consequences on the wider or global community.

Price is seen to be the most efficient allocator of resources. Estimating what is already reflected in the price and what has yet to be taken into account by the market or what may be incorrectly taken into account is the name of the game. So, this client invests a lot of time, energy and self-worth in formulating or "having a view" and being right. S/he must also stand firm in the face of the dissenting views of colleagues and the market. If the latter, s/he must ascertain whether there is an error in her/his view or valuation or whether the market is simply operating, for example, on a different time horizon. This need to stand firm can result in hubris and a tendency to no longer listen. The market is seen to be impersonal and ruthless. The norm of exploiting others' lack of knowledge results in seeing your competitors and, in some cases, your client as fair game. It is exhilarating to beat the market index. Hence minimising risk, making continuous assumptions and comparing alternatives becomes a way of life. Compassion is assessed to be misguided, because you have to look out for yourself and emotion seems to get in the way of clear thinking. Any asset

can be analysed or dissected into cash flow streams and linkages are ignored. Hence my win is your loss; it is a zero sum game.

Would the financial crisis would have been as severe if Lehman Brothers had instead been "Lehman Sisters?"

You may find that your financial executive clients behave as if isolated, they "know it all," are defensive of their decisions and thought processes, are distrustful of their reports, avoid any semblance of "weakness and vulnerability," are sceptical and must have alternative views proved. Hence, they are unlikely to engage in new perspectives or behaviours without the theory behind it. They are constantly making comparisons which can fuel dissatisfaction and, perversely, they are insecure and yet feel superior to the general community. They also are under constant pressure and subject to constant evaluation of their performance.

Notwithstanding these negatives, this industry is exhilarating, full of buzz. It provides tremendous opportunities and is immensely interesting and fast paced. This industry provides a more than comfortable material standard of living and financial security, as executives become more senior and accumulate wealth. Financial executives share the attributes of modernity with their own particular emphasis on the individual, rational and reductionist thinking.

The greatest shifts from my blind spots have been a reconnection with emotions and what I care about – a wider lens that allowed me to see my interconnections with the global community, and a realisation that a narrow focus on profit maximisation is counter-productive in the long run. Through my involvement with the Women's Leadership Forum (WOLF) Innovation teams led by Julie Gilbert at Best Buy and the emphasis on "care" in the CEO™ programme (Dunham, 2009), I have come to see that profits are not the goal, but the consequence, of successful companies. This is a tremendous shift in perspective for me.

To give of their best, humans - even those who have been inculcated by monetary valuations - need a voice, an opportunity to perform well and a sense of recognition. A leader who honours this in his or her employees will generate greater and more sustainable profitability. Sustainable profits are the consequence of engaged, enlivened employees who will "walk over hot coals" for their leaders and companies, whereas a narrow focus on cost cutting dehumanises employees and cannot sustain superior performance. As George Merck II said, "We try never to forget that medicine is for the people. It is not for the profits. The profits follow, and if we have remembered that, they have never failed to appear" (Collins, 2009, p. 53).

CONCLUDING THOUGHTS AND SOME BIGGER QUESTIONS

Some readers may feel that my characterisation of the mind-set of financial markets executives and the zero sum game implies that coaching financial markets executives is akin to "shifting deck chairs

on the Titanic;" the system is impregnable, self-reinforcing and in its extreme promotes egregious behaviour. Indeed the exposés of the life of City workers by ex-traders such as Anderson (2008) and Anonymous (2009) suggest that the only way for these executives to change is to get out of the industry. Or following Sir John Whitmore's provocative argument, they should be thrown out:

> Introducing tighter regulations for bankers or politicians does not raise their level of maturity, morality or their ethics, it just limits what they can get away with. No, it is the type of people, the Ethnocentrics themselves, that have to go. Worldcentric people by definition and by their nature would not have abused the old regulations, let alone need new ones. Anyone below Worldcentric on the "chart" should not be selected or elected into positions of leadership in politics or big corporations, not just banks. Fewer people would fit the bill and that would limit our choice, and so it should. (2009, p. 2)

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However, in my experience, these clients value a competitive advantage and the leading edge. If you can pace them appropriately and prove your credibility ("tree huggers" or coaches with no exposure to the business world tend to be dismissed), they may engage with you. If you can demonstrate the relevance to them of becoming a new observer, get a sense of what they really care about, of what is missing for them, the waste inherent in their current practices and how they can improve the engagement and profitability of their teams and organisations, they will latch on to coaching interventions.

Having just returned from a coaching meeting with one of my clients, I am humbled and inspired by how much he has changed - and he is but one example. He had exhibited classic traits of needing to be right, being judgemental, dismissive, distrustful, and unable to ask for help – and today he is visibly transformed. There is a spring in his step, his face is much more relaxed, he can turn his Blackberry off, he can and frequently asks for help from his colleagues, he coaches and celebrates the success of his reports. He recognises that focussing on not being "good enough" or "having enough" while living in a mood of resentment is exhausting. He can see instead the many things material and non-material for which he can be grateful, and he can be satisfied that there will always be someone who will have more than him or earn more than him. He has shifted from victim mode. He acknowledges that missing out on some promotions and not having a powerful public profile is within his remit to alter. He is full of possibility and eager to try on for size the body disposition of sovereign.[5]

5. For a thorough explanation of how important our bodies are to what we can and cannot achieve, see Strozzi-Heckler (2007).

Recall that this industry and the economic models on which it is predicated are based on fear and scarcity. It is therefore not surprising that these executives can be micro-managers, perfectionists and linear thinkers, motivated more by the 20% they or their reports got wrong than celebrating the 80% they or their reports got right. Another of my coachees was renowned for saying "no" and setting targets well within his ability. He felt very uncomfortable in stepping outside of what he knew; of not being in direct control and shifting from management to leadership. He considered his colleagues the "conduits to the process." His transformation too, has been remarkable. He no longer treats people as conduits; rather, he embraces the "messiness" of human beings having a full range of emotions, histories and cultural preferences. He engages with his colleagues, from the most junior of secretaries to the executives at Head Office (all having very different communication styles), from a perspective of what it is it that motivates and concerns them. He recognises that inspiring them to follow him entails managing his own mood and that of his teams. A tall, imposing man who previously unwittingly set the tone, now he actively flexes his style and interactions with others. He is visibly joyful when recounting the successes of his team and rather than "getting the tanks out and going in all ablaze" he now facilitates the space so that his direct reports come up with the solutions and "walk a mile in each other's moccasins." He notices the world around him and he engages and motivates his children to do their homework and practice. Notwithstanding another promotion and the need to roll up his sleeves and help his new team, he is having fun and he is prepared to dance with the unknown.

He no longer treats people as conduits; rather, he embraces the "messiness" of human beings having a full range of emotions, histories and cultural preferences.

These shifts have come about due to their dedication to self-reflection, practice, taking risks and what they have learned from the ontological distinctions developed by my teachers, to whom I am indebted. Their learning has been reinforced by their buddies and bosses familiar with the same distinctions, who themselves have undergone significant shifts in who they are as observers. Also, their new CEO has embraced and funded a programme of ongoing learning at the Executive Committee level through offsites and, at a broader level, a cultural values assessment. In my experience, individual coaching in isolation has a reduced likelihood of success. A growing body of research (see for example, Schlosser, Steinbrenner, Kumata, & Hunt, 2006) identifies the importance of having one's manager informed, aligned and supportive in the performance environment. In this instance, executive team alignment, coaching and group work can create a virtuous circle of support and reinforcement.

In working with this cohort of executives, I noted my own initial reluctance to discuss what they care about. I was worried that notions of care would be seen to be inappropriate in this most brutal of industries or that they'd say they had had enough and wanted to exit their firms and industry. As my confidence grew and

my learning was supported by Bob Dunham and my classmates, my effectiveness as a coach has improved.

In some arenas, business or organisational coaching is devoid of any conversation about family or personal life. As one coach said to me, "I don't go there. My role is to help them increase their turnover and their margins. Personal stuff is too much like therapy." As my experiences and those of my clients show, work encroaches on our private life and vice versa. If we are to assist our clients in gaining new perspectives, then to me it is self-evident that exploring their industry, family life, historical and gender discourses are essential to help them become new observers and so see new opportunities and sustain their transformation.

Clearly, I am not advocating that we become zealots, espousing our own views of what constitutes a more enlightened world. Indeed, some extremely successful financial executives believe that their very success is predicated on being paranoid, not being satisfied, being insecure and having something to prove. They fear that if they change and consider the human consequences, then they will lose their edge and investment prowess. However, we fail in our duty and responsibility as coaches if we do not provoke and show our clients a different way of being and the costs to them and society more broadly of their behaviours. As Dunham (2009) argues, we become more effective as coaches and leaders when we can observe what is missing.

Some extremely successful financial executives believe that their very success is predicated on being paranoid, not being satisfied, being insecure and having something to prove. We become more effective as coaches and leaders when we can observe what is missing.

I am intrigued by developments in economics and complexity theory (Beinhocker, 2007) and the arguments put forward by Lietaer (2000) and confess that the observer I am is still blinkered, so that I can't yet envision what a more collaborative market might look like. Is it even possible, if arbitrage and the supremacy of information and knowledge are the way to make money? Does bringing back humanity to the process paradoxically work against the community in general as decisions can no longer be made dispassionately and hence are unlikely to generate the best returns for clients (and their livelihoods)?

There are just so many questions, so many ways to examine and challenge the status quo. For example,

- Is greed really a basic human instinct? Clearly self-interest is or we wouldn't be alive. Or is greed a choice (conscious or unconscious)? We are not automatons; what sets us apart from other animals is that humans can be educated, become aware and make choices.
- It's too easy to point the finger at the bankers, shareholders, evil CEOs, etc. We are all part of this capitalist society that seems to dismiss or avoid any discussions of morality.

- What of the bonus culture? It's fine to be rewarded for doing a job well done, but "privatize the gain, socialize the loss?" How can the asymmetric risk be addressed more sensibly and equitably?
- How do the regulators make a difference sooner, not after the horse has bolted?
- Moral hazard: Can the income stream of agencies be separated from the ratings they bestow on new and complex products?
- How can the insights and concerns of back offices, compliance, risk assessment, etc. be integrated into the trading rooms rather than being laughed off the floor?
- Is competition the most effective way to organise a community? Some argue that collaboration is a function of a more sophisticated community.
- If people really want to make money sustainably, what role can independent thinking play? I don't think that herd-like behaviour, insecurity and wild punts will do it.

I invite the reader to engage in correspondence with me to explore how to challenge what are currently seen as "natural laws" of human behaviour, organisation of developed economies and market systems. As Dee Hock, the founder of Visa International, stated, "In times of extraordinary change, it is no failure to fall short of realizing all that we might dream – the failure is to fall short of dreaming all that we might realize" (Lietaer, 2000, p. 18).

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Sylvana Caloni is an executive coach, facilitator and consultant. She established her practice in London after 15 years experience at Bankers Trust Financial Group in Australia. Her focus was on international markets in the roles of bond dealer, equity analyst, portfolio manager and head of global sector research teams. She currently is creating a financial markets think tank that brings together executives from different parts of the market. The intent is to debate issues that affect the industry and broader community through the lens of what makes these executives tick, in addition to institutional and regulatory factors.

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