

# Team coaching as part of organizational transformation: A case study of Finnair

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## Introduction

Often leadership teams of large companies turn to team coaching when they know they need to lead a major organizational transformation. In these cases the team coaching has several distinct but interconnected areas:

- The team jointly clarifying, developing and owning the transformation process (Clarifying discipline – see Hawkins, 2014: 110–14).
- Discovering how they need to operate as a team to lead this change process (Co-creating discipline – see Hawkins, 2014: 114–21).
- How they need to live and role model the values and behaviours that the company will need to be successful with the transformation (Connecting discipline – see Hawkins, 2014: 121–25).
- Building the trust and cohesion necessary to deal with the turbulence caused by the transformation process (Co-creating discipline).
- Increasing their collective capacity to communicate the transformation process, engage staff and other critical stakeholders and win commitment to the change (Connecting discipline).
- In addition, the team need to check they have the right remit from their board, shareholders and stakeholders to undertake the transformation

**FIGURE 8.1** The Triangle of Integrated Change

(Commissioning discipline – see Hawkins, 2014: 109–10) and be constantly learning throughout the process (Core Learning discipline – see Hawkins, 2014: 125–29).

At Bath Consultancy Group this has been the most common environment in which to apply systemic team coaching. The systemic view is deeply connected to our wider organizational development work carried out over the past 25 years, which integrates the strategic challenge, culture change and leadership development (Figure 8.1). As the rate of change increases in nearly all sectors, organizations have to constantly adapt and develop new strategies. The challenge then becomes how to embed these strategies within the company. We often use the phrase first coined by Peter Drucker, ‘Culture eats strategy for breakfast!’, for new strategies call for new cultural responses, and this involves changes in behaviour, engagement and ways of thinking. Changing the culture is always much harder than changing the strategy.

We also use another memorable one-line statement to describe the link along the bottom of this triangle: ‘Leaders get the culture they collectively behave.’ Leadership teams cannot deliver successful change unless they are able to look at themselves and see how their way of behaving and engaging influences the climate and culture of the rest of the organization. Developing a new culture in the wider organization begins with the leadership team learning how to ‘be the change they want to see’.

So often we have come across leadership teams who have gone away and developed both a new organizational strategy and core values for their organization and then returned to communicate these to the unsuspecting members of the organization. For successful organizational change the leadership team needs to find ways of

sharing the challenges and co-creating the change with the wider leadership of the organization, while modelling the new culture they want to create.

A way of focusing the collective team mind is to ask the following questions:

- If the existing culture has worked perfectly to get us here, what does it include that will stop us from implementing the new strategy?
- If the behaviour of this leadership team has contributed to that culture through behaviours and decisions, which behaviours do the team need to stop, continue, and most importantly start doing? (see Hawkins, 2014: 100–01)
- How will we bring about this change and make it visible to our people?
- How do we as a team start and sustain the journey as individual team members working apart?

A period of challenge and change in organizations presents a great opportunity for accelerated leadership development. Often we find that leadership development needs to begin by developing the leadership team within the organization, through systemic team coaching that addresses how they engage together and then with the wider organization.

In this chapter we will describe one of many such processes we have been involved with, working in partnership with the CEO, executive team and wider leadership of Finnair. Other examples are published elsewhere, such as: the work with Ernst & Young UK (Hawkins and Wright, 2009), British Aerospace (Hawkins and Smith, 2013: 113–15) or the BBC (Hawkins and Smith, 2013: 104). More examples can be found on the Bath Consultancy Group website ([www.bathconsultancygroup.com](http://www.bathconsultancygroup.com)).

## The context

Finnair is one of the world's longest continuously operating airlines. It flies today to around 60 countries, carries over seven million passengers a year, has a turnover of €2,400 million and employs about 6,000 people. As a national carrier of Finland it has weathered many storms that have ended many other European airlines. It has been an iconic business in Finland, regularly receiving comment as one of the preferred companies to work for or join as a graduate. The leadership team was responsible for a portfolio of activities from air travel to catering, and from maintenance to tour operators. This helped create an integrated business which to some extent insulated the company from external shocks.

Early in 2000 the European air traffic market was opened to new competitors, and from 2006 the cost pressures on Finnair were becoming unsustainable, as increasing oil prices and reducing fares, driven by low-cost competitors such as Blue and Norwegian, were creating the perfect storm and eating away at the profitability of the business. Losses were funded by the Finnish people through government support.

In 2010 a new CEO was appointed with an agenda to return the business to profit. By mid-2011 a few new appointments had been completed and a renewed executive board (leadership team) had been formed. The need for business transformation was then determined and scaled in terms of cost savings, process changes and investments needed. The strategy was in place to be the leading airline in the Nordic region and in the top three for all transit traffic between Europe and Asia. This long-haul aspect of the business was vital to revenues and profits; European short-haul required significantly lower costs and support from higher passenger numbers on the long-haul schedule.

## The strategic challenge

The culture of Finnair had been built up over a number of years in largely public ownership (56 per cent owned by the government of Finland). This had contributed to an organization that had not changed as quickly as the market and with possible resistance to the necessary changes identified in pricing, service and cost management. Indeed, there was a view among managers that the culture had tended over the past 10 years to maintain the status quo and now Finnair faced a cliff face of change – and could managers really be expected to make that happen given that past experience? One way this culture manifested itself was that managers appeared to delegate decisions upwards for the leadership team to run the business. They said: ‘We are too busy and do not have the time to do this work on leadership and team building stuff!’

The new team was a mix of new appointments and experienced Finnair leaders. The two different subgroups had different perspectives on the approach to the scale and pace of change required. The CEO saw leadership as a key capability, and believed a change in leadership approach was essential for the company to succeed, though this was not a widely shared view in his leadership team. In addition, the business was made up of about 10 business units or functions with different views and needs about leadership.

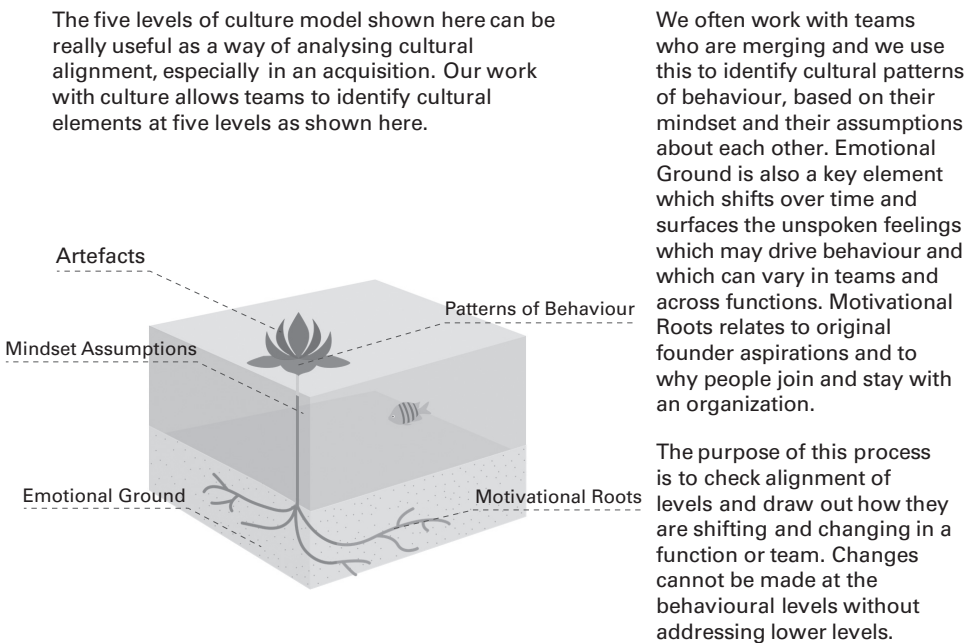
At the initial inquiry stage of the team coaching process we used the CIDCLEAR process model (Hawkins, 2014: 86–103), but we decided it was important to get a wider view and carry out a deeper inquiry from within the organization.

## A deeper inquiry

At this stage the HR and development leads in Finnair were leading the drive to ensure that the organization spent time on essential leadership and culture, with the strong support of the CEO. However, the leadership team as a whole did not share this belief. With the assistance of the HR and L&D leads, we spent some weeks talking to about 20 key influencers two to three levels below the leadership team to explore (or disprove) the link between leadership and the change agenda.

One of the challenges as a team coach is finding an appropriate way for each client system to view the existing cultures and to specify the cultures they wish to move towards. One technique we used at Finnair was to break the culture down into 'layers' (Figure 8.2).

**FIGURE 8.2** The five levels of culture



We then took the following quotes and placed them into the model to create a picture of the current alignment. We then created a session to discuss how these would need to change and how we would work to shift them. The outcomes

informed the design of the leadership team development and the work with the next two levels of leadership:

Our leadership ideal is a quick fix-expert manager

‘That person is quick, thinks at speed – gives opinion/answer almost immediately, wow!’

‘You can’t really expect people to follow you if you don’t know how the landing gear works – can you?’

‘People value experts who solve problems – so leaders do that automatically.’

‘Managing is a dominant activity rather than leading – perhaps roles require it?’

‘We have a strong habit to seek out, stay with and talk to people from our own function/type.’

‘Typical interventions – inform, prescribe, closed question and their own answers and lengthy options.’

Feedback

‘Not sure feedback is really helpful – takes a lot of time which we don’t have.’

‘Our “Leadership Attributes” are in fact a perfect description of a feedback rich-environment.’ (see below)

Addressing emotions not part of our current leadership model

‘Managers are worried about how to motivate people – and how to do that differently according to where their people are on the change curve.’

‘Managers are not expressing their feelings or using emotion as part of leading people.’

‘Little evidence of managers making interventions that included: support statements, feelings, confronting, asking why something was happening, or inquiring how the person was going to respond to their challenge.’

‘Many leaders and managers avoided conflict when it was live in the moment. They also found passive resistance so very hard to address.’

Interestingly, the leadership attributes had been agreed by the leadership team before we arrived and the attributes were in direct opposition to the nature of leadership we encountered in the culture. There was ‘a rift between the rhetoric and the reality’

(Hawkins and Smith, 2013). In the long run these leadership attributes, which some would term leadership values, would provide a very good framework for developing the new leadership culture and the team worked well with this. So while the ‘rift’ existed, the cultural challenge was to begin to change behaviours, not to define attributes that ‘matched’ the existing culture.

The leadership attributes were:

*goal-oriented*: fact-based, bearing responsibility;

*fair*: clear, consistent;

*encouraging*: accessible, support-giving, inspiring;

*developing*: visionary, creativity-promoting;

*caring*: communicative, listening, open and easily approachable.

This process enabled us to raise the dilemmas with the leadership team – that they sensed they knew what was needed, that is, behaviours that would role-model the attributes – because the leadership attributes would be an excellent counter to shift some key elements of the existing culture. When we discussed this with the team, the response included comments such as: ‘We are not sure if leadership development would help but certainly it should not need to start with us! Surely the managers need training if this is what they are saying?’

The deciding moment was during the first leadership team meeting we attended, as presenters not coaches. We showed the data and talked through the linkages between leadership and results. We talked about how the culture would kill the strategy and in fact was already doing so based on the quotes. We proposed that the team went first in developing their leadership.

The CEO asked how we knew this was right; we stated that all the data provided by their people, not our interpretation, called out for leadership of people. The skill set in the team was largely managing by expertise. The journey through the change curve (Kübler-Ross and Kessler, 2005) would require the team to lead their people into uncertainty, facing some difficult emotions, and then to encourage them upwards towards the vision and future success. We gently suggested that as a team that was embarking on a new level of organization change, which they had not done before, they could not expect already to have the capability to succeed or the ability to judge the right approach. So by confounding the ‘we know the answer’ mindset we replaced it with the offer to help them see that they were not playing with all the leadership cards. To encourage them, we stated that other leadership teams had been where they were now and had succeeded using similar approaches.

As a result, led by the CEO and HR director, there was a highly qualified decision – we would have one day, a night and a morning with the team to see what happened! I guess you want an airline to have a degree of carefulness!

## Approach: developing the senior team

As a result of this ‘decision’, the leadership team agreed to start the leadership development process and if the impact was proven with the team, they would consider how to involve all the 120 senior leaders in all businesses of the group.

Given our knowledge of the existing culture, that the data-driven expert types needed to start with some data about themselves as leaders, and also knowing that feedback was not an everyday occurrence, we started with a visible action to show the team and the organization that the intent was serious and different – 360° feedback. Using a standard, externally available tool designed to explore leadership attributes, each leader received data from subordinates and peers. This was debriefed personally for the team of 10 and we set the expectation that they would be sharing the data with each other. These data also informed the content and approach of a two-day leadership development workshop.

The day/night/morning event was designed, agreed in outline with the CEO and HR director, but not owned by the team. This may not have been ideal and might have been an issue had the team not experienced an ‘aha’ moment early on.

Picture the scene: in the woods of Finland, near a lake, midsummer, in a wooden cottage, cramped space. Each team member has talked through the headlines of their feedback, made the understandable explanations and agreements – and then came one of those silent moments. Out of the stillness, one voice haltingly apologizes to the team for failing in his view to deliver what was needed and for putting the airline in this situation!

What is interesting about such situations in a team is that the relationship between team members moves in an instant. As a coach there are no real techniques, plans or methods to ensure that the real emotions, concerns and fears get voiced, yet they do – if the right enabling conditions have been established. It was delightful to be able to show to the team that the way they responded was more in line with their leadership attributes than anything we had seen to date. So they could do it, just perhaps, without thinking – something about the leaders’ ‘being’ and using their humanity, not brains.

Another seminal moment was when we showed the team the change curve (a model new to some) and asked them to come up to the flipchart and say where they were themselves at that moment. The highest impact was made by one team member saying that he was not even on the page but way below, off the bottom of the flipchart, as he felt so concerned about how people were not taking the cost issue seriously. He put this big issue on the table: ‘This is how I feel about the team... you are not taking the cost problem seriously at all – it will kill us and yet I feel I am the only one acting as if it matters.’ This simple model produced a moment of high emotion from one of the least expressive members of the team, which changed the tone of the event.



This is a discussion as a team that can only be held using leadership capacity and human openness. I recall that another person said, ‘I felt slightly optimistic having heard the team’s responses’; however, it was clear that there was a lot of work to do to create a team capable of performing at the level that the organizational challenges would demand.

Continuing the team session in the morning, we felt that the team would benefit from getting a shared view about how to perform – what they would need to be doing, what score they needed to get. So we used the High Performing Team Questionnaire (Hawkins, 2014: 274–89). This specifies three topics within each of the five disciplines.

A simple tool for the team was to score themselves individually against the key determinants of team performance, and then share the scores publicly. The variances are as interesting as the high or low scores. The data were confidential to the team and as a form of contracting into the coaching process, they are very valuable. The next question was to ask what the team wanted to address first and so we moved from workshop to team coaching, enabling the team to make their own informed choices.

In designing a team intervention that was integral to organizational change it was necessary to build in ‘real work’ (business agenda topics that would otherwise be carried out in the monthly team meeting) and use that context to highlight team dynamics and capability issues. Agreeing the topics with the CEO in advance also increased the relevance and application of the techniques and leadership, live in the room. Picking the difficult topics also enables the coach to add value directly by helping the team succeed where they feared they would fail. On this occasion we used the pressure of upcoming communication meetings with unions and staff as that catalyst. Rather than following our own coaching path, we listened to the team and their immediate issues.

The approaches taken in such situations are always enlightening about how the team really works. In this case we could anticipate from the inquiry stage that communication to staff would take on a flavour of leaders as expert. Very helpfully, the communications director was a recent joiner and therefore not bound by the culture as much. So as we explored the messages needed we also rehearsed different leadership modes. It is not appropriate to tell the details of the interactions other than to say that the team realized what ‘communication in the style of our leadership attributes’ looked and sounded like. The individuals were also freed up to express themselves – much easier than trying to bring a script to life. The approach worked and they later reported that the discussions had proceeded much better than expected, with a better rapport and understanding of each other’s views.

In this short day the leadership team had proven to themselves that ‘leadership development’ would help them specifically, that their changes would allow wider change to occur. ‘So what is the shift in me, which will shift this team, shift our managers and therefore move the whole business?’ sums up the evening discussion.

Table 8.1 lists the specific behaviours they wanted to try to do more of as a team. To explain the Feedback approach: this was to build a new habit at the end of each meeting or process to ask just two questions – What Went Well (WWW) and Even Better If (EBI). This is a habit we use at Bath Consultancy Group for our internal and external work. It was pleasing to be able to role-model it with them throughout our relationship and to see them adopt it themselves.

**TABLE 8.1** Finnair leadership habits

<p><b>Know your business:</b></p> <ul style="list-style-type: none"> <li>● Start with your numbers</li> <li>● Define the target</li> <li>● Show the outcome/profit</li> </ul>	<p><b>Delegate:</b></p> <ul style="list-style-type: none"> <li>● Enforce decision making at the lowest level</li> <li>● Encourage risk taking – it's ok to fail!</li> <li>● More team decisions – share, involve, openly discuss and develop new solutions together!</li> </ul>
<p><b>Demand delivery of results – celebrate when you get them</b></p>	<p><b>Listen:</b></p> <ul style="list-style-type: none"> <li>● Practise active listening</li> <li>● Ask more!</li> <li>● How do you feel?</li> </ul>
<p><b>Feedback habit – WWW and EBI</b></p>	<p><b>Encourage:</b></p> <ul style="list-style-type: none"> <li>● Foster positive conflict</li> <li>● Encourage creative ideas and experiments</li> </ul>
<p><b>Take decisions – take responsibility to:</b></p> <ul style="list-style-type: none"> <li>● give us more profit</li> <li>● add value to the customer</li> <li>● help us beat the competitors</li> </ul>	

On the following morning the team captured their reflections as follows and then decided to set about the 'cost problem' out of which a whole flow of energy and initiatives were agreed and initiated.

## Approach: creating hub, spoke and wheel

The culture of the organization was rather focused on the leader as expert. Decisions would go up to the most experienced person, who would demonstrate their value by making the right call really quickly and telling the others exactly what to do. As a customer of Finnair, that has a degree of comfort to it. As a coach of leaders, it is a frightening prospect.

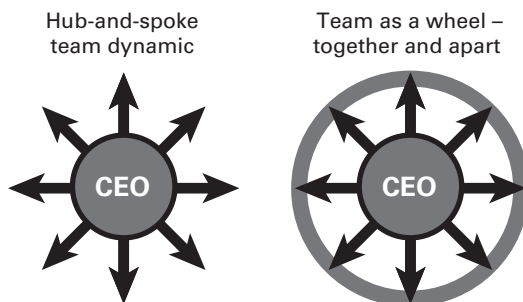
In the culture, and perhaps it is part of the Finnish CEO role, the team was there to advise the CEO, and the CEO then took the decision. This is also linked to Barry Oshry's views (*Seeing Systems*, 1995) of the systemic pattern that 'Tops' get anxious about the amount they are responsible for and about 'sucking up more responsibility', then they feel overwhelmed and split up different responsibilities, which creates silos, with the CEO as the only point of integration.

In all models of high-performing teams that I have seen, silos are not included as being desirable. The team did have functional responsibilities – maintenance, catering, pricing and so on; however, organizational change is always in my experience between the functions. For example, how does a full-service airline compete with no-frills or even zero-frills operators? Do we make more money or less money if we cut unprofitable routes?

We worked with the team on the live dynamics in the meetings, in particular to help them disrupt the silos, non-delegation, 'same-old' solutions (see new behaviours in Table 8.1). The CEO does need to provide the hub (Figure 8.3), the spokes do need to be connected to that person – what makes the wheel go round is the way the team joins up, outside; when the CEO is not there, if you like.

What we did was simply to call the moments when the hub or spoke was taking more airtime and to substitute it for discussions about how we are feeling and what is going on between us, and then asking 'why is this issue one for the CEO to decide'?

**FIGURE 8.3** From 'hub and spoke' to team as an integrated wheel



In time, the team created informal meetings to address what mattered and the pace picked up between meetings.

## Approach: developing the wider leadership group to help lead the transformation

While the leadership team was continuing its development directly in its meetings and one-to-ones, the next 120 leaders were invited to participate in a similar leadership development process. This was designed to create a common leadership approach and to shift the overall leadership culture, with the leadership team members sponsoring and actively attending.

Over 100 leaders were involved in the process, including 360° feedback, a two-day workshop and learning group coaching sessions. In March 2012, the process completed with 120 people meeting with the leadership team at a leadership summit event, designed to share new leadership experiences, successes and learning.

The link to team coaching was that to effect organizational change, the ‘changes in leadership behaviour, which create the culture, to enable the strategy to succeed’ needed to be carried through all the leadership teams that report to the top leadership team. At Finnair we were able to design and implement a two-day programme with learning group follow-ups. The design took the steps shown in Table 8.2, using the overall organization change as the frame.

**TABLE 8.2** Two-day programme

<p><b>Day 1 Flow</b></p> <p><b>Why is leadership so important</b> – especially now?</p> <p><b>But it is not easy</b> – adaptive, personal change</p> <p><b>Let’s help each other</b> – coaching, learning group set up, share 360° feedback and development needs</p> <p><b>Changing my leadership interventions</b></p> <p><b>Apply to your real situations</b> – learning group session, what am I deciding to do differently?</p>	<p><b>Day 2 Flow</b></p> <p><b>How to lead performance</b> – feedback</p> <p><b>Changing my leadership 2</b> – learning group</p> <p><b>Leading a high-performing team</b></p> <p><b>Changing my leadership 3</b> – learning group</p> <p><b>Inspiring</b> – rehearse messages and vision, apply storytelling techniques to communicate to our people</p>
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The work the attendees did was essentially a coaching structure in groups of 24. Each session had one of the leadership team attending, including the CEO. They would join in the sessions and demonstrate that they too were working to shift their leadership. This live role-modelling was so much more impactful than the message. It meant we could practise the new attributes live in the room, such as upwards feedback, enabling managers to see that they have most of the answers and could take decisions themselves, to share how the change is personal, painful and emotional. The speed of the change was set by the ability of the leaders to help people notice their feelings so they come to terms with the fact that their mindsets and long-held assumptions needed refreshing, to enable people to become high performing again.

The design used learning groups so that these more personal feelings had the space to be explored with colleagues (often from different functions). So the design created moments of cathartic release, where emotions or feelings were voiced and the team could notice how that empowered people to act.

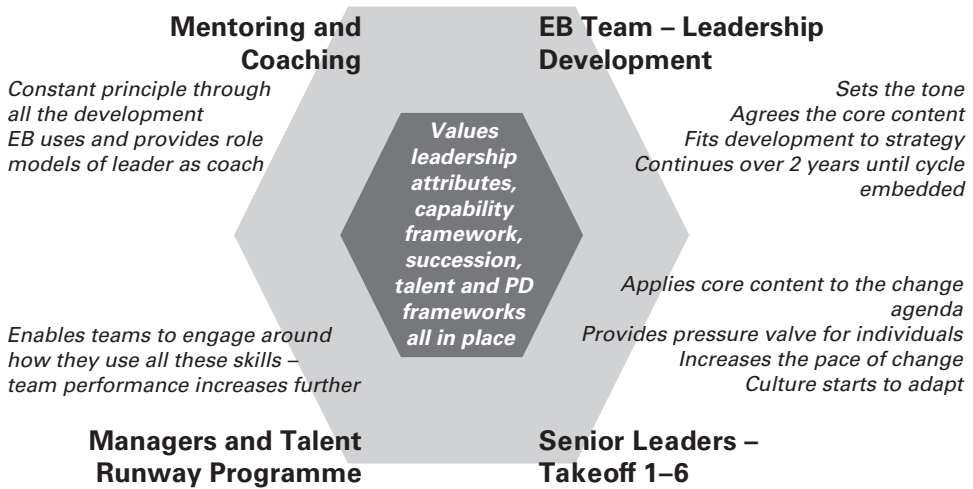
Team coaching is a practical art, carried out in the moment; breakthroughs occur when coach and team feel discomfort, even risk. Leveraging that to an organization transformation requires that the same ‘frisson’ is replicated in the ‘call to leadership’ (ie the development programme) and in turn by the leaders with their teams and one-to-one discussions.

So, to reframe the coaching question to an organization setting we asked: ‘What is the discomfoting change the leadership team needs to experience, that will trigger the leaders to hold the discomfoting conversations with their teams, that will create the change needed to deliver the strategy?’

Notably, in Finnair the organization built on the programme and completed the full cycle of development so that changes were embedded in the business. Equally important was the work carried out by the Finnair HR team to implement all the processes in a joined-up way. This included 360° feedback, performance measurement, succession and talent processes, reward mechanisms and mentoring. It meant that the individuals could see how the leadership attributes had become a series of golden threads that explained what was expected of them.

The leadership team of course then had a challenge. How to live up to the standards they had set their reports and teams? At this stage, about a year into the process, the leadership team began a process of personal coaching and also intact team coaching for their own teams. The journey was therefore replicated. The managers were invited to participate in a programme that made the same content relevant to their situation and also had learning-group arrangements to enable personal discussions.

Over the two-year process, therefore, a very joined-up and tight process had been completed (Figure 8.4).

**FIGURE 8.4** Full-circle development in two years

So, in the words of their own people, this was what the Finnair leadership team had put in place:

‘When this amount of top management people are gathered together under [the] same topic, we share the same challenges in everyday life and had the possibility to learn from each other.’

‘A more unified leadership style and clearly communicated attributes within Finnair.’

‘We get closer to a common view on leadership so the mutual trust in the organization has a higher likelihood of growing.’

‘The holistic approach to problem solutions will increase sustainable profitability of Finnair.’

## But then time for hard hats – the culture fights back!

A sensitive but important part of this team development story concerns how the team faced some serious and significant public and political challenges. Whether this really was the culture fighting back – just as the Drucker quote famously predicts – may be academic, but what was very real was the feeling of a team coping with the internal and now external pressures.

There was a story in the public domain saying that the press, public and politicians alleged they had found inappropriate behaviours on behalf of the board in granting the CEO a flat in Helsinki. The employees and unions were outraged to hear that some executives had been granted 'stay bonuses' by the board at a time when their colleagues were being made redundant owing to the need for savings. A new board was appointed and also a new chairperson in due course.

We are not commenting upon the issues here, but what may be instructive was how these forces impacted on the leadership team as far as a coach could observe. I would focus on three dynamics:

- 1** We had discussed as a team that at some stage we should expect a reaction to all the change – they were moving extremely quickly and putting a great strain on friends, colleagues and union relationships. We discussed how they would mobilize the team to operate the functions while focusing on communications and relations.
- 2** We began to invite more of the next-level leadership into the leadership team meetings. In particular, the transformation programme was to be led by someone who was not actually in the leadership team. This was counter to 'everything goes to the CEO' and iconic of the request that the teams run the business. All the leadership team's time could be, and at times was, focused on relationships.
- 3** The leadership team, as a wheel, operated together without the CEO; at times, this had the impact of creating a team-apart mentality, which speeded up implementation through the teams.

As a result, the organization continued to pursue the vision, the cost management and revenue enhancement decisions were made and implemented, and the managers took up their right to lead. In a situation where the external pressures could perhaps have led to an understandable slowing down or even to halting the changes, the leadership found its strength and, not without difficulty, pushed on and achieved what they set out to do.

There was one event where the team coaching and leadership work combined at a critical moment. It might be instructive to explore whether team coaches can provide a voice for organization issues that otherwise are stifled by the old culture.

The design of the leadership development included a leadership summit. This was a single day attended by all the 120 leaders and the whole leadership team, designed to show everyone the power of the 120, what they were each doing differently in their leadership and the resulting impact. Usually this is a great approach at the end of a programme of multiple groups, one where people learn from each other and agree how they will continue the journey together.

This event coincided with public announcements on television and in the media about the questions being asked.

The issues from a team coach point of view included:

- How would the situation help or hinder the development agenda?
- Would the situation be raised in the learning event anyway? What is the best way to address or incorporate that energy?
- If one sees this as a change curve, where would the participants be, and therefore what would they need?
- What intervention styles were needed?

The team coaching to this event followed the CIDCLEAR process in microcosm:

- Contract with the CEO, leadership team and HR leadership – on how to utilize the dynamics.
- Ask a subset of participants what is happening for them. This highlighted that they were actually making more changes happen and would like that recognized.
- Design a process that was ‘real’, ie acknowledged how people felt, and let them speak.
- Contract with the participants to find out what they wanted.
- Listen in the room to how the CEO feels. Each of the executive board members also voiced their feelings. We encouraged the detractors to speak up – those who felt let down or were ashamed – they had the microphone and spoke to their experience.
- Explore what was actually happening, not just what we heard in rumours. Firstly, are we making change happen and are there any good news stories?
  - This worked incredibly well because the 120 leaders spoke to what they were achieving anyway, the results they were getting, and it was obvious that they were as a group really succeeding, saving money, increasing loading, changing practices.
- Action was discussed concerning whether they wanted to let the situation get in the way of the probably successful journey that they were on – one of the most difficult transformations of a business in Finland.
- Review was a mix of ways they would support each other by continuing some learning groups; they agreed to roll out the leadership development to their managers and to embed the new development processes.



In the evening, during a dinner to enable reflections and chat to occur, the CEO spoke for a few minutes to simply thank the leaders. Other leadership team members added their views, and a few voices spoke from the floor. In my view, the collective leadership of the organization was formed, in adversity which may have helped, and the results show what that group of people achieved for themselves with help from the coaching and leadership development.

## Outcomes

It is clear that the leaders worked really hard to turn around a worsening financial situation, which in their 2012 business results showed the impact of two years' work (see Table 8.3). This was continued into 2013 by the new CEO and much of the same leadership team.

Some outcomes to highlight:

- 1 For four years prior to the work the net loss was on average about €80m; after the transformation process, for the next two years there was a profit of about €14m – almost a €100m transformation.
- 2 The company is now in a wonderful new building, a confident celebration of the design and perseverance of the employees in Finnair who are once again attracting the attention of the nation for all the right reasons.
- 3 The culture is forward facing; for example, the new building is called the House of Travel and Transportation (or 'HOTT') and there is no HQ from which leadership is dispensed.

It is important to emphasize that while results look good for now, legacy carriers in Europe continue to struggle. The economic growth in 2014 across Europe is predicted to remain low, projected to strengthen to only 1 per cent in 2014 and 1.4 per cent in 2015 (World Economic and Financial Surveys, World Economic Outlook (WEO) Update, *Is the Tide Rising?*, January 2014), so there continues to be a lot of hard work ahead in order for the leadership team to maintain the profitability they have achieved.

## Conclusions

Much has been written about the difficulty in linking coaching and team coaching interventions to financial results, calculating a return on investment and how the linkages are at best tenuous (Grant, 2012). However, we would argue, supported by

**TABLE 8.3** Finnair reported financial results

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Turnover (€m)	1,558	1,683	1,871	1,990	2,181	2,256	1,838	2,023	2,257	2,449	2,400
Profits (EBT) (€m)	-22	31	88	-15	139	-62	-125	-33	-111.5	16.5	10.1
Number of employees (average)	9,981	9,522	9,447	9,598	9,480	9,595	8,797	7,578	7,467	6,784	5,859
Number of passengers (m)	6.8	8.1	8.5	8.8	8.7	8.3	7.4	7.1	8.0	8.8	9.2
Passenger load factor (%)	69.6	71.2	72.6	75.2	75.5	75.2	75.9	76.5	73.3	77.6	79.5
Number of aircraft (at year end)	59	69	69	72	62	65	68	63	65	60	70

the evidence and the views of the client, that without three significant changes, the organizational transformation at Finnair would not have been possible. These are:

- 1 the leadership team moving from a hub and spoke team to a wheel of greater shared leadership and responsibility;
- 2 the leadership team members moving from being expert managers who had to have all the answers to leaders radically delegating challenges to teams lower in the business;
- 3 the team developing some collective resilience, loyalty and trust, necessary to withstand the attacks on the leadership from staff, unions and press and stay committed to the long-term change journey.

Leadership team coaching is a key element of organizational development and transformation. It seems implausible to think that the leadership team can remain the same when an organization is undertaking a major organizational transformation. Of course, CEOs can and do coach their own teams through times of change (see Hawkins, 2014: chapter 10) and may not need external team coaching support.

The key is to set leadership team coaching in the wider systemic context of where the organization is in the community it serves; how it performs for its clients, employees, unions, suppliers and owner(s); the rate of change the strategy demands of processes, structure and behaviour; the nature of the culture and leadership culture.

Being a team coach is necessary rather than just facilitating team workshops. As a team coach in such a transformation process it is useful to combine team workshops with live process consultancy in regular team meetings, individual coaching of the key players and what we term 'tow-path coaching' or 'kerb-side coaching' where the coach is present alongside the team at key moments in their leadership of the change. As much work can be done in a 10-minute Time-Out during an important meeting as can be achieved in a week of offsite development. The executives respond well to being 'called' on behaviours in the moment – otherwise the habits of senior leaders are so strong as to be invisible.

Making systemic team coaching relevant to a difficult situation is both easier, because there is 'a burning platform', and harder, because, under pressure, leaders can become more defensive and revert to old patterns of reaction. Therefore my final thought is that the coach seems to have the most impact near the boundary of the relationship, where they are also vulnerable and having to work in the moment with uncertainty and risk – feeling comfortable often means low impact.

We were only the catalyst in the process; the wonderful people in Finnair are the ones whom we applaud.