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# Three Ps to Lead the Next Generation

By Barbara Kay, LPC, RCC, TIPC

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**FINDING, RECRUITING,** and developing next-generation talent is essential to the growth and longevity of wealth management firms. The good news is the youngest generations are now fully engaged in the workforce. According to Gallup, 46 percent of today's workforce comprises Gen Z and millennials. In addition, these generations have benefited from the significant growth in financial

planning degrees. In 1987, the first 20 undergraduate financial planning degree programs were launched. As of 2019, that number had grown to 330 financial planning bachelor's degrees, more than half formally recognized by the CFP Board. The 191 CFP Board-approved programs allow graduates to immediately sit for the CFP® exam. Now more than ever, there is a pool of talent ready to become wealth management professionals today and leaders tomorrow. As that educated but inexperienced talent comes on board, I recommend leading the next generation with a perspective, a picture, and a plan.

## See Their Perspective

I've coached seasoned financial professionals across the country at firms large and small. Many believe their success is directly related to the lessons learned in their formative years. As young advisers, their professional survival depended on dogged persistence and skillful persuasion. In addition, the economic consequences of failure were powerfully motivating. They learned fast under intense pressure, and they believe their success depended on that experience. Understandably, they want young advisers to learn the same lessons. Yet, the financial services industry in the

1970s and 1980s was vastly different from today's financial planning profession. At that time, new insurance agents and stockbrokers had to sell or starve, and the training programs were designed to create that experience. The environment is totally different today.

**“As that educated but inexperienced talent comes on board, I recommend leading the next generation with a perspective, a picture, and a plan.”**

Today, young professionals face a whole new kind of pressure. Look at it from their perspective. Imagine persuading clients to hand over the bulk of their wealth as a newly minted adviser. Then imagine providing full-service wealth management with little experience. It's daunting! The experience is different, but still challenging. It took senior leaders years to develop wealth management excellence. Decades of knowledge and skills can't be jammed in overnight. See it from their perspective, and mentor them for the qualities they need to meet today's challenges.

### **Paint a Picture**

Another significant shift from past years is expectations in the workplace. While generalizations shouldn't be relied upon, there are some broad tendencies based on age. Generation X and younger tend to value independence, flexibility, autonomy, choice, innovation, technology, and work-life balance. In addition to the above, these generations seek transparency, authenticity, trust, and shared values. As a result, they have much higher expectations of clarity, collaboration, and

control over their career. This is not surprising considering the vastly different experiences of younger generations growing up. Changes in parenting style, classroom practices, and new technology radically altered child-rearing. It's no surprise they approach work differently. Given today's expectations, it's important to paint a picture of the professional advancement path. On the upside, this provides leaders the opportunity to articulate both the opportunities and the expectations.

Nicely, this aligns with younger generations' focus on outcome rather than process. In years past, work ethic was measured by time spent in the office. Today's workforce was raised to work anywhere, anytime. One of my clients is a rising leader at his firm. He's had clashes with senior leadership over his work ethic. When his leaders were young, they logged long hours at the office to prove themselves. Now they want the same from the next generation. The younger professional is frustrated with this focus and finds it completely counterproductive. He's perfectly happy to work hard, but he wants to focus on the results, not where he works or when he works. In another case, a young professional was completely baffled when passed over for a promotion, then asked to train the new hire who was older but less skilled.

Today's talent is better measured by outcomes, rather than peripherals like hours, age, and location. This is good news. Leaders can evaluate inexperienced talent based on results. The key is to clearly articulate the results needed for advancement. KASH is one way to define performance. KASH stands for Knowledge, Attitude, Skills, and Habits. Knowledge and skills focus on the technical skills, while attitude and habits highlight the intangible expectations, like persistence, proactivity, timeliness, and more. Articulating the KASH expectations helps to clarify the success parameters.

I was recently talking with a leader about performance benchmarks, which showed the need for this level of clarity. The leader was struggling because multiple performance measures were in place, but something was missing. Team members could achieve all the performances measures and still not be ready for advancement. After listening I said, “This reminds me of Olympic figure skating. The skater is evaluated on two sets of scores: the technical scores and the style scores. A skater cannot succeed on technical scores alone.” That analogy hit the mark. The technical performance measures were clear, but the style measures needed to be communicated more clearly, so the team could understand the total picture of their performance. As you paint the picture of professional success, use KASH and other methods to clarify all the elements needed for advancement. The front-end effort will pay off for everyone. Leaders will have a clear measure of young professionals’ progress, and the next generation will understand how to advance their careers.

**“Today’s talent is better measured by outcomes, rather than peripherals like hours, age, and location.”**

### Plan for Change

One of the significant challenges in painting the career picture is that things change—a lot. Expecting change, leaders may be tempted to be vague about employees’ futures. But today’s workforce thrives on clarity, collaboration, and control. Vague promises will likely not engender loyalty and long-term commitment. An alternative is to plan for change. One coaching client is

doing exactly that.

This senior adviser is leading a team of professionals. One of the young advisers wants a specific career track. Although the younger adviser prefers one path, there are several good professional tracks available. Currently, it’s not clear if the adviser’s preferred choice is the best fit. The young adviser is hardworking and motivated, but lacking characteristics that are essential to success. The leader cannot guarantee a long-term role in the young professional’s preferred placement. If the young adviser fails to develop critical skills, a change will be needed. Upon discussing the situation, it became clear that transparency at this stage is essential. The young adviser needs to understand that long-term success will require a big change in behaviors and significant development of essential skills. The leader is eager to help, but wants the young professional to enter this track with a clear understanding of what it will take to succeed, and that their career path may change. These are tough conversations. No one wants to demotivate eager talent. The leader plans to have the tough conversation now to prevent a more painful conversation later.

Every leader I know has had ups and downs in finding and developing the next generation talent. Every young professional I know has had challenges finding good opportunities and developing their careers. With all the opportunities out there and all the talent seeking good roles, it should be easy, but it’s not. When you find a high-potential young professional, remember how difficult it was to build success. Their challenges are different but no less daunting. They want to succeed, and you want them to succeed. Leading the next generation from their perspective, painting a career path picture, and building flexible pivot points into the plan will help build their success and yours. ■