

# The Stepping Stone

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**SOCIETY OF  
ACTUARIES**

**LEADERSHIP &  
DEVELOPMENT**



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# CHAIRPERSON'S CORNER

## 20 Years and Still Flourishing ...

By Anne M. Katcher

This year, the Leadership & Development (L&D) Section celebrates its 20<sup>th</sup> anniversary. When our section was formed in 1998, it was known as the Management & Personal Development Section, and there were 281 members. Today, we have more than 1,500 section members. We also have many non-section members taking advantage of our meeting sessions, podcasts and webcasts.

During the rest of 2018, we will share insights about how things have changed over the years and how leadership and development concepts that were relevant in 1998 are still relevant today. For example, I recently reread the first issue of *The Stepping Stone*, published in April 1999. The three management topics discussed were Myers-Briggs management styles, ethics and mentoring.

Are these still relevant today?

How do we fit within the wider SOA framework, including its mission and strategic plan?

Interestingly, my son just started a new job and during his two-week orientation, Myers-Briggs was one of the assessments given and analyzed. The topic of ethics is always at the forefront of actuarial work, and is growing in importance as we expand our use of predictive analytics and other artificial intelligence. And, finally, during his address at the 2017 Society of Actuaries (SOA) Annual Meeting & Exhibit, Past President Jerry Brown talked about the importance of mentoring and encouraged SOA members to help mentor candidates and young actuaries who are starting out in their career.

The L&D Section Council held our annual on-site meeting at the SOA headquarters in Schaumburg, Illinois, on April 6, 2018.



During our day-long session, we discussed many topics, but the three main themes that we focused on were:

- How do we fit within the wider SOA framework, including its mission and strategic plan?
- How do we best serve existing members?
- How do we attract new members?

Our L&D Section secretary/treasurer wrote about the first theme in the May 2018 edition of *LeaD* (“Lifelong Learning and the SOA Competency Framework”). We also talked about the current business environment and trends, and how these will impact our members and their needs in the future, especially with the growth of remote workplaces. Despite the rapid change of technology over the last several decades, the more things change, the more they seem to stay the same—meaning the skills that actuaries need to succeed fundamentally haven’t changed. Instead, we need to be more innovative about how we develop those skills.

In future issues of *LeaD* and *The Stepping Stone*, we will share our ideas to continue to improve our value proposition. But most important, we would love to hear from you about your thoughts on these important topics. Drop me a note with yours at [anne@sage-sense.com](mailto:anne@sage-sense.com).

Happy anniversary! ■



Anne M. Katcher, FSA, MAAA, is chairperson of the Leadership & Development Section Council and founder of Sage Sense LLC. She can be reached at [anne@sage-sense.com](mailto:anne@sage-sense.com).

# WHAT WOULD YOU DO? It's Not Productive!

By John West Hadley

Here is our next entry in the “*What Would You Do?*” series.<sup>1</sup> Write to me at [SteppingStone@JHACareers.com](mailto:SteppingStone@JHACareers.com) to tell me what you would do. In the next issue, I'll compile the responses received (preserving your anonymity, of course), along with what actually happened in the real-life situation.

Help me craft future case studies. Write to me about your own challenging, surprising or nightmarish situations involving business, leadership, management or any of the topic areas covered by *The Stepping Stone*, and what lessons you learned from them. I'll collaborate with you on turning your situation into a simple case study, being careful to ensure no one is identifiable. And share your own thoughts (pro and con) on the series as a whole at [SteppingStone@JHACareers.com](mailto:SteppingStone@JHACareers.com).

## IT'S NOT PRODUCTIVE!

Foundation Life was installing a new administrative system to support its large life insurance portfolio, and the project was far behind schedule. The actuarial group in particular was taking a lot of heat for not providing enough support. Zachary was an FSA who had supported or led major systems conversion initiatives to successful conclusions, and was brought in as an independent consultant.

Zachary was very productive, writing tons of analyses and recommendations, and quickly began to make headway in bringing the project back on track. However, his client-supervisor Christine told him “she had been instructed” to review and approve every memo before release. Her style of reviewing was that:

- Zachary had to sit with Christine while she reviewed any document. During that meeting she would allow herself to be interrupted regularly by phone calls, people dropping things off (that she would insist on reading while they stood there), and so on.
- Christine wanted to wordsmith even the most innocuous of statements.



Zachary felt this was a huge waste of time; a review of a simple three-paragraph memo would take a minimum of a half-hour. This was also creating delays in getting decisions made and communicated.

This was Zachary's first consulting assignment, and was critical to building his portfolio. He didn't want to offend Christine and jeopardize it.

What would you do? ■



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## ENDNOTE

- 1 Past issues in the series have considered whether to demote or fire a difficult employee; performance reviews and their aftermath; interview challenges from both sides of the desk; evaluating job offers; miscommunication; a difficult product decision; how to build connections with the home office; and career decisions. To catch up on the entire series, which started in May 2013, check out back issues of *The Stepping Stone* on the Leadership & Development Section website at [www.SOA.org/ld](http://www.SOA.org/ld).

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# WHAT WOULD YOU DO?

## Responses to “Personal Differences”

By John West Hadley

In the March issue of *The Stepping Stone*, I presented the following work situation faced by a consulting actuary managing a large assignment. Here are selected responses and excerpts, edited for space and clarity, followed by the real-life conclusion. Send your own ideas for situations to pose in upcoming issues to [SteppingStone@JHACareers.com](mailto:SteppingStone@JHACareers.com).

### PERSONAL DIFFERENCES

James was managing a multi-office group of actuarial consultants on a large assignment. He was approached by an associate who didn't want to work with a particular consultant based in another city. When James dug into the reasons, he found it was because the other consultant was openly gay.

James' initial reaction was that a person's personal opinion and thoughts are private, but at work, we are obligated to work in a group setting with all of our associates. On the other hand, he couldn't afford friction that might interfere with deadlines.

*Most respondents took the stated problem at face value, but two made the astute observation that there could be more to it:*

I would first talk to both consultants mentioned in the case study and find out if they've worked together in the past and what that experience was like. It's possible that the problem is due to a past unpleasant experience, not necessarily because "he was gay."

Are we assuming this person is "wrong" because he admitted discomfort with working with a gay colleague? Are we assuming the "gay colleague" is without flaw? Maybe there is something else going on. Maybe the consultant has doubts about the "gay consultant's" integrity, or work product, and so on, and was just uncomfortable saying so to his boss.

*To get to the bottom of the issue, this actuary suggested a simple, direct approach:*

I'd have the fellow in my office for a chat. I'd ask why he felt as he felt. After he spoke and then fell silent, I'd remain silent and keep looking quizzically at him until he again spoke. I'd keep listening and listening until he talked himself into a change of mind. At most, I'd ask prodding questions after long silences, which I'll define here as three minutes or more by the clock on the wall behind the refuser's head:

- "Do you fear gayness?"
- "Do you think he might be attracted to you?"
- "How would you feel if it were a woman who does find you attractive, but who has always been professional with you?" and so on.

*Another gave these questions to explore, and suggested perhaps there was another solution:*

Was there a specific incident that made the complainer uncomfortable, maybe something that wouldn't be tolerated regardless of sexuality; or is it pure prejudice? Is there a policy that associates can refuse to work with someone at their discretion, or is it policy that people have to work together? What does the consultant think about working with the complainer?

If James doesn't want to fire the complainer for trying to black-ball colleagues and doesn't want to fire the consultant if something inappropriate had happened to spur the complaint, then could he "bribe" the consultant with a better assignment and avoid the situation entirely?

*One actuary gave this pithy response:*

The associate needs to undergo sensitivity training or be fired.

*Another related this situation back to the actuarial Code of Conduct:*

Refusal to work with an openly gay person is a violation of the Code of Conduct. Precept 10 states, "An Actuary shall perform Actuarial Services with courtesy and professional respect and shall cooperate with others in the Principal's interest." The actuary who is refusing to work with his colleague is acting neither professionally nor courteously. It's up to the Principal to decide if this employee should be counseled, demoted, reassigned or fired for his outrageous conduct.

*While this respondent emphasized trust:*

One never completely knows the background or the "heart" of another. It sounds like the associate reluctantly shared that he didn't want to work with an openly gay consultant. This sharing could have been the result of creating an atmosphere of trust

between James and the associate, and it could have been scary for the associate to share.

The motivation could be upbringing, lack of experience with someone who was openly gay, or something else. We simply don't know, and James likely doesn't either. I would tread lightly because if I react strongly or negatively, then in the future—instead of sharing what is really going on—he could hide the true reason.

I don't think rules, requirements or codes will help this associate to change his point of view or reaction. Rather, I would orient the conversation toward one of personal growth, ideally exemplified by an example from my own career of working with someone different from myself.

*This respondent talked about how personal beliefs and behaviors relate to the workplace:*

Your faith can't be isolated to just your home life—you need to be willing to stand up for what you believe. However, that doesn't mean you treat people unfairly or inappropriately. This isn't a situation where the associate was asked if he thought that lifestyle was "right," just that they needed to work together. James is still able to hold everyone accountable for deadlines, and as issues arise, James could definitely ask the associate what was causing delays.

Walking alongside the staff member to help him deal with personality differences effectively can help. The expectation needs to always be that he finds a way to work with others. In this situation, it was due to "being gay," but in others it could be because they drink, are living with someone, like the Packers instead of the Vikings, or a host of other differences.

*As did this respondent:*

If someone owns and operates a business and they do not want to hire blonde people or serve blonde customers, they have that right. That is, they have the right to personal prejudices, even if they own a business and even if I disagree with them. However, if a company has hired a blonde employee, then no one has the right to refuse to work with that employee. Work is work and personal is personal.

*One looked at longer-term implications:*

What are the consequences of caving to the prejudice? Losing one employee and setting a bad precedent that could be very problematic over time, plus opening the company up to lawsuits. Constantly balancing everyone's prejudices so that no one is offended seems like walking into a minefield.

Constantly balancing everyone's prejudices so that no one is offended seems like walking into a minefield.

*These two actuaries felt that human resources should play a role:*

I'd ask HR for guidance. I imagine they would say discrimination against an employee by another employee is unacceptable under any basis. I'd want to know what to tell the employee and how to say it specifically. I don't think that accommodating the request not to work with the consultant is an acceptable outcome, and the associate probably needs formal or informal training.

Guidelines at my employer would be that as a manager I need to immediately report this to HR. Not reporting would put my own job in jeopardy. I would then follow whatever instructions HR gives me to be compliant with the law and employer guidelines. I think this scenario could lead to termination for the associate ... by refusing to work with the consultant, he is creating a hostile work environment. I would also want to have webinars/training for all employees on how to build an inclusive workplace.

#### WHAT ACTUALLY HAPPENED?

James told the associate that he would not make any changes in the team ... a person's personal opinion and thoughts are private, but at work, we are obligated to work in a group setting with all of our associates. In fact, the firm's diversity and inclusion policy prohibits discrimination based on sexual orientation and mandates that we work with all of our associates. It's up to the engagement manager to ensure that firm policies are upheld and client expectations are met.

The associate continued to work on the project, helping the team successfully meet its client expectations. Shortly thereafter, the associate quit and left the profession. ■



John Hadley is a career counselor working with job seekers frustrated by their search and professionals struggling to increase their visibility and influence. He can be reached at [John@JHACareers.com](mailto:John@JHACareers.com) or 908.725.2437. Find his free *Career Tips* newsletter and other resources at [www.JHACareers.com](http://www.JHACareers.com).

## DIVERSITY SPOTLIGHT

# Leading the Way on Diversity: The International Association of Black Actuaries

By Tensesia McGruder

*“We have a great actuarial science program.”*

This was what the college recruiter said to me, after I told her that mathematics was my favorite high school subject. It was my first time hearing about the actuarial profession, and I knew nothing about it. My parents, teachers and guidance counselors were equally stumped. I was from a low-income family and went to an underprivileged high school. No one knew any actuaries, or could give me any direction.

After a Google search, I decided to take a leap of faith and change my college aspirations from engineering at Clemson University in South Carolina to actuarial science at Temple University in Pennsylvania. At Temple, I performed well but felt lost. I knew nothing about actuarial exams or the actuarial career tracks, while my peers seemed to have all the answers. I began to question if I should pursue the actuarial profession. I lacked a trusted mentor who could relate to my background and provide sound advice.

Enter the International Association of Black Actuaries (IABA). One day, a few IABA members hosted an informational seminar with students from both Temple and Howard University. They spoke about the profession and the organization. For the first time I realized I was cut out to be an actuary, and that many students had the same questions as I did! Through the IABA, I found relatable mentors who nurtured me, and supported my exam progress, professional and personal development, and career progression. Flash forward to the present, and I am now a fellow of the Society of Actuaries (FSA) and IABA's president.

The isolation and confusion I felt while starting my career are not unique. In fact, I am one of the fortunate ones who learned

about actuarial science in high school. Luckily, our country and our industry's views on diversity have evolved tremendously over the years. Now, with rigorous studies illustrating the value that diversity adds to teams, products and work environments, many companies have embraced strategies to increase and celebrate diversity in the workplace. IABA and other diversity organizations exist to help bridge the gap between the companies seeking to increase diversity, and the pool of qualified, diverse applicants.

IABA's history dates back to 1992. At that time, there were 72 known credentialed black actuaries within the actuarial profession in the United States. Twenty-five years later, the number of credentialed black actuaries has increased almost six times to an estimated 426.<sup>1</sup> While this is an impressive stride toward increasing the presence of black actuaries, there is still much work to be done. Currently, only about 2 percent of credentialed actuaries in the United States are black, while the current census indicates that more than 13 percent of the U.S. population is black.<sup>2,3</sup>

### DIVERSITY AT THE FOREFRONT OF THE PROFESSION

Actuarial organizations and employers have recognized that increasing diversity in the actuarial profession is of utmost importance, and initiatives to meet this need are among their top priorities. To identify areas of need, The Actuarial Foundation, Society of Actuaries (SOA), Casualty Actuarial Society and IABA conducted a formal research study.<sup>4</sup> The purpose was to identify the profession's barriers to entry for minority students and to understand how to recruit and retain minority candidates.

The resulting report cited the following as the largest barriers to entry for minorities:

- Lack of awareness and, particularly, late awareness.
- Unfamiliarity with the profession, causing respected influencers such as parents, teachers and guidance counselors to drive candidates to other professions.
- Lack of personal networks and relationships with actuarial professionals.
- Inadequate academic preparation and lack of financial support, including lack of awareness of available resources.
- Lack of representation in the profession, contributing to perceived and/or actual discrimination.

The implications addressed in this research study directly align with IABA's strategic focus. IABA has tailored our 2018 strategic initiatives to specifically address the barriers identified. Working closely with actuarial organizations and corporate partners, IABA intends to tackle the diversity issue head on. Here are some of IABA's strategic initiatives:





Increasing awareness and consideration of the actuarial profession by:

- Creating criteria to target best-fit high schools for visits/partnerships.
- Creating social media videos to promote both IABA and the actuarial profession.
- Conducting industry-wide high school outreach and engaging students in a case-study competition to provide in-depth exposure to the profession.

Leveraging existing minority programs that strengthen the students' connection to and understanding of the profession, including:

- Investing in existing summer actuarial programs through volunteerism, financial support, marketing and company engagement.
- Providing networking and engagement opportunities for black students pursuing the profession through IABA's mentoring program.

Expanding financial support for exams, and helping to reduce the feeling of isolation that many aspiring minority actuaries feel, by offering effective networking opportunities. Specific initiatives to increase support include:

- Hosting online networking events.
- Expanding our current exam reimbursement program.
- Initiating planning for an exam prep program designed for students who are aware of the profession but not enrolled in a traditional actuarial program.

Diversity benefits all aspects of our profession. IABA is very excited to partner with our fellow organizations to innovate and enhance the landscape of our profession.

#### MORE ON IABA

The IABA is a professional and student member organization whose mission is to contribute to an increase in the number of black actuaries, and to influence the successful career development, civic growth and achievement of black actuaries. IABA is a volunteer-run, nonprofit organization. Members include high school and college students, working actuarial students, experienced actuaries and anyone who supports the mission.

For more information about IABA, visit our website at <http://www.blackactuaries.org> or contact our executive director, Kate Weaver, at [iaba@blackactuaries.org](mailto:iaba@blackactuaries.org). ■



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# BUSINESS MANAGEMENT

## Empowering Employees: Stick to What Really Matters

By James Clark

*“The world has an employee engagement crisis, with serious and potentially lasting repercussions for the global economy.”<sup>1</sup>*

According to a Gallup report, as of 2015 only 32 percent of U.S. employees are engaged in their work, and that level has not moved significantly since the study began in 2000.<sup>2</sup> Another Gallup survey reported that companies in the top quartile of engagement scores outperform those in the bottom quartile by the following measurements:<sup>3</sup>

- 21 percent in productivity
- 22 percent in profits
- 10 percent in customer ratings

They also saw lower turnover, lower absenteeism, lower safety incidents and lower quality defects, among other improvements.

An engaged employee will utilize a proactive approach to bring value to the organization, along with the personal satisfaction that the employee gains. One element of developing an engaged workforce is to grant employees a level of autonomy that will empower them to make appropriate decisions, and to control their work product.

Granting employees autonomy can't be done by simply abdicating management responsibility. Leaders need to find a proper balance between direction and employee empowerment. When management achieves the right balance, it allows employees to have sufficient direction and information to make good decisions, and they feel empowered to confidently move forward and act.

Years ago, new to a management role, I found myself frustrated by my interactions with a direct report. I was anxious to do things “right,” as I saw them, but we never seemed to be on the same page. He was resistant to my efforts to steer us where I

thought we should go. In speaking to my supervisor at the time, he offered some advice that has stuck with me ever since. This has allowed me to work better with my team members so they can grow within their positions and feel a sense of empowerment and satisfaction in their work. It also allowed me to develop a balance in my working relationships that I had not yet achieved.

My supervisor referred to the account in the book of 1 Kings, chapter 3 of the Old Testament:

Two women had children born three days apart. One night, one of the children died, and the mother of the deceased child swapped the babies while the other mother slept. The next day the case was taken to Solomon as the two women disputed which child was her own. Solomon resolved the dispute by ordering the living child to be cut in half and one half given to each woman. The rightful mother pleaded for the life of the child, being willing to give up the baby as opposed to seeing him killed. The other mother was satisfied with Solomon's decision, selfishly deciding that if she couldn't have the child to herself, then neither could the other woman. Solomon recognized the feelings of the rightful mother and restored the child to her.

My supervisor pointed out that the solution implemented by Solomon only works because the object of the dispute was a baby. Had the dispute been over some possession, say a loaf of bread, the proposition of cutting it in half would not have worked to reveal the rightful owner. He then told me that what I needed to consider was whether the issues that I was having with this individual were a baby, meaning something very important, or a loaf of bread, meaning something that didn't really matter.

His point was that when something really matters there can be no compromise. During your daily work, if you really think about what truly matters, you will find that most issues are symbolized by a loaf of bread. These may be things like report formatting, choice of words, style of chart or even methodology employed for an analysis. There are very few issues that rise to the status of being a symbolized by a baby. Things like drawing proper conclusions, ethical conduct and compliance with laws and Standards of Practice really matter, and leaders need to be sure their teams pay attention to them and other similarly important elements of our work.

I have found over the ensuing years that this advice has been very helpful in both day-to-day human relations and in my relationships with those who report to me. Certainly, in fulfilling leadership duties it is important to guide, mentor, educate and coach our direct reports. They need that guidance to advance, learn, have confidence in the decisions they make and grow

their careers. But they also need the balancing influence of freedom and autonomy that leads to empowerment and increased engagement.

One of the key aspects in empowering your employees is to take a step back and let them produce their work in the best way *they* see possible. Looking over their shoulders, wordsmithing communications, dictating formatting in reports and running their work through a management filter is micromanaging and is akin to turning loaves of bread into babies. It's the equivalent of taking something that doesn't matter, and elevating it to the level of something that does.

Asking yourself "Does it matter?" will help you to gain perspective and give your employees a chance to grow. There are more productive ways for managers and leaders to mentor and coach their employees. Regular one-on-one meetings and productive feedback offer opportunities for leaders to help employees improve their work product in both small and large ways and can give them learning opportunities. This can be done without the cost of discouragement that comes with the manager scrubbing their work product in such a way that does not add any real value.

The wisdom of Solomon came from knowing what was important and really mattered. When your employees gain the confidence

that comes with diligent coaching, mentoring and direction to help them succeed, coupled with the freedom to act on their own, make level-appropriate decisions, and incorporate their own background and learning into their work, they will increase their sense of empowerment and engagement and help drive overall success of the organization. After all, as Steve Jobs said, "*It doesn't make sense to hire smart people and tell them what to do; we hire smart people so they can tell us what to do.*" ■



James Clark, FSA, MAAA, is the vice president of risk management and appointed actuary for LifeMap Assurance Company (a Cambia Health Solutions Company) in Portland, Oregon. He works remotely in Utah, where he enjoys hiking and outdoor activities. He can be reached at [Jim.Clark@LifeMapCo.com](mailto:Jim.Clark@LifeMapCo.com).

#### ENDNOTES

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# BUSINESS MANAGEMENT

## Leadership Inspiration: A Slap on the Face

By Juan Arroyo

*Editor's note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be better actuarial leaders. Here is the winning entry from the Defining Moment in Your Life category.*

**H**ave you ever had someone come to you randomly and tell you something that felt like a slap on the face? Many years ago, I heard the best feedback generally comes unsolicited. That's what happened to me two to three years into my role as an actuarial leader.

Before I got the leadership role, I remember frequently expressing my opinions about how badly the leaders of the department handled the workflow. Here are a few examples:

- Certain types of projects went to the same people.
- Some studied all the time and others were working extra hours all the time.
- The most complex and intriguing projects were kept by the leaders.

One of the phrases I liked to use was, *"When I get to be a leader, I'll make sure I delegate the right way."*

The chance came a few years later. I was doing well. My team was meeting or exceeding expectations. We were doing great things. Everything was going smoothly.

Until one day—I'm walking down the hallway with a couple of teammates when Craig, a prior direct report to me, said, *"Juan can I give you some feedback?"* A few seconds later, he says out loud for anyone to hear *"You DON'T know how to delegate ..."*

Even though he proceeded to share his reasoning behind the statement, I didn't really hear anything after "delegate." It hurt. I was shocked. Craig's statement forced me to realize I had done exactly what I had complained about a few years earlier.



I was handling the "big" projects. I was maintaining control of the spotlight. I was delegating only the items I thought my team could handle at the moment.

I probably could have given logical explanations for all my decisions, but they didn't matter. Craig's words brought into my awareness that I had no idea what I was talking about in the beginning. He helped me understand that there's more than meets the eye; that a leader has many more things to consider when making decisions.

To this day, Craig's words serve as a reminder that, no matter how good I think I am, it is always important to keep seeking different perspectives before jumping to conclusions. ■

*"You will never get dumber by making someone else smarter; if you empower them to give back and share."*

—Stanley Marcus Jr.



Juan Arroyo, ASA, MAAA, can help you design your unique blueprint for an outstanding life. To start your journey from here to there without overloading your to-do list, contact Juan at [juanononecoaching@gmail.com](mailto:juanononecoaching@gmail.com).

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## CAREER DEVELOPMENT

# An Interview With Mike Lombardi

By Carlos Arocha

**M**ike Lombardi, FSA, CERA, FCIA, MAAA, began his duties as the 69th Society of Actuaries (SOA) president at the 2017 SOA Annual Meeting & Exhibit. Lombardi is from Vaughan, Ontario, where he is president of MLBC, a business consulting firm. Lombardi is a long-time volunteer with the SOA.

“I am honored to be named president,” said Lombardi. “Volunteers are the lifeblood of nonprofit organizations and a way for all of us to give back to the profession. I will focus my leadership efforts to help expand actuarial opportunities, support member engagement efforts to increase participation, identify and address international developments, and strengthen efforts to partner with other organizations and associations.”

In his inaugural address at the 2017 SOA Annual Meeting & Exhibit in Boston, Lombardi spoke about improving the actuary’s soft skills as one of the ways to remain relevant, and to expand actuarial opportunities. The Leadership & Development Section’s mission is to promote and facilitate leadership, business and personal skills development for section members and affiliates, so we thought of asking Mike for an interview.

### **Q: Why did you become an actuary?**

A: Like many others, I became an actuary by accident. I did not know what an actuary was, nor did any of my family, friends or career counselors. I was good at math and had a passion for it, but could not see any interesting career opportunities besides teaching.

However, when I started pursuing a medical degree and was seeking a summer job, I discovered a whole new world in the actuarial field. The promise of a meaningful business career for those with top-notch mathematical skills was too tempting to resist. I fell in love with the idea, changed my university studies to math, and never looked back.

### **Q: When did you decide to run for president of the SOA, and what triggered your decision?**

A: During my exams and throughout my career, I have been motivated by challenges that at the time seemed impossible but whose attainment forced me to go outside my comfort level. I had a successful career with a major insurance company (Prudential), a large consulting firm (Willis Towers Watson) and a significant life reinsurer (RGA), having reached senior management levels in each of those firms. I was also proud to be an actuary and deeply grateful to the profession that had contributed so much to my success. I did not want to do more of the same but instead wanted to use my experience to give back to the profession and help it achieve its mission.

I also realized that, as a non-U.S. resident, I would be at a disadvantage running for president of the SOA. That realization forced me to think hard about the positive vision and message I needed to communicate, the contribution I could make, and how best to deliver that message effectively. As it turns out—and as was the case with some actuarial exams—I was not successful on my first attempt. However, I was able to learn from that failure and leverage that experience into a winning approach the second time.

### **Q: Can you name a person who has had a significant impact on you as a leader, and describe how they impacted your life?**

A: For some people, it may be easy to point to a single individual who changed their lives. In my case, it’s not that easy—no one person stands out; there are too many to name.

I believe leadership and success come as a result of personal interactions with many people at all levels. You can be influenced as much by interactions or advice from a receptionist or secretary as you can from a CEO. Each in its own way can have a lasting impact.

In my case, I was a keen observer and learned from teachers, bosses, colleagues, staff, clients and competitors. Outside my daily activities, I also set aside time for contemplating lessons from leaders in the news as well as reading history or biographies of famous leaders.

### **Q: What is the biggest challenge facing leaders today?**

A: The biggest challenge facing leaders today is maintaining a clear vision in the face of today’s ever-accelerating pace of change (technology, regulation, competition) and successfully articulating that vision into a compelling strategy for the team.

Implementing an organization's strategy is a complex undertaking involving efforts by hundreds of people. Leadership means choosing one's priorities and managing the organization in such a way as to ensure a diverse group with different skills and backgrounds, like the SOA, works together toward a common goal.

Unlike the past, gaining a team's commitment is far more challenging today. What motivates baby boomers is very different from what motivates millennials. Teams often include cross-discipline specialists dealing with increasing complexity—even a minor error can have devastating consequences. A more diverse workforce means more cultural and political points of view. We need to consider and be more aware and sensitive to those differences.

**Q: How do you encourage others in the SOA leadership to communicate core SOA values?**

A: It really comes down to leadership by example in support of core values. I have found the most effective leadership style is to be collegial and collaborative, which builds mutual trust and respect.

To be an effective leader one needs to put oneself in the shoes of others, understand different positions, seek win-win solutions, while remaining firm in defending core SOA values. How do you do that?

You seek out members' views; you respond to their concerns; you clearly communicate the SOA's strategy. In my case, for example, prior to bringing matters to a vote, I seek the counsel of Board members, respected colleagues and other experts. I use my collaborative skills to build alliances and find common ground.

**Q: What can actuaries do to develop a soft skill set?**

A: For those who are willing and able to do so, improving our soft skills has always been one of the best ways to improve our reputation and relevance as actuaries; for those who do not, it continues to be one of our weakest links.

While skills improvement is ultimately the individual actuary's responsibility, it helps to have universities, employers and the SOA each doing their share to assist.

The SOA provides sessions on these topics at SOA meetings, but we do not believe this is the whole answer. Nor is it something that can be acquired solely through study or written exams. Like walking or swimming or speaking a language, it's an acquired skill that is best learned by doing. You need to

jump in and keep trying—you will fall, you will get up, you will learn, but you will continuously improve.

Fortunately, the SOA provides many opportunities for volunteers to try out and learn those skills in a nonthreatening environment. Increasing your level of engagement with the SOA advances your skills, gains new experiences and improves your leadership qualities. Some examples of these opportunities include joining and leading sections or committees, as well as speaking at local actuarial clubs or at other actuarial or industry meetings. I would strongly encourage members to use the SOA volunteer database to identify opportunities that fit one's schedule, expertise and time commitments.

**Q: What will be the biggest challenge for the current generation of actuarial candidates?**

A: The biggest challenge is what it has always been—acquiring and maintaining a set of technical and soft skills that will continue to be valued by clients and employers throughout one's career.

When I started out 40 years ago, no one could have predicted the variety of actuarial jobs we would be doing today. But it's always been the case that the people who most commit to lifelong learning, who are most skilled, most relevant, most willing to adapt, most willing to network, and most capable of delivering value will always be in demand.

What makes it more difficult for the next generation is that we are in the midst of a far more radical change in the work environment than we have ever seen. Artificial intelligence, big data and improved analytics are automating more and more complex tasks, and we will need to continuously redefine and market the value an actuary can provide.

In order to preserve their relevance and value, the next generation must be more agile and flexible in responding to changes brought about by emerging technology—in understanding those changes early on, in identifying how they can continue to add value, and in renewing their skill sets and unique capabilities. ■



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# CAREER DEVELOPMENT

## Remaking the Role of the Insurance Actuary

By Matthew Clark and Tony Johnson

**A**n insurance company actuary today wears many hats. No longer considered solely a calculation guru, the actuary is being asked to serve as a risk manager, business adviser and industry leader, too. This is creating new challenges to modernize the actuarial organization, but it is also opening opportunities for actuarial employees at all levels to contribute to strategic decision-making.

Actuarial leaders must find creative ways of getting things done, often by developing new, technology-enabled processes to accomplish operational tasks and meet strategic objectives. And it is no longer sufficient for the actuarial function to exclusively model, analyze and estimate. It must be able to generate more insight and foresight, and less data management and hindsight.

Of course, actuaries must continue to provide financial reports quickly and accurately and be able to explain results and drivers, accounting base differences and expectations. But they're also expected to produce more sophisticated analysis that connects historical performance to forward-looking projections and provides a drivers-based view of variances.

They're also managing increasingly complex actuarial models that require sophisticated calculations for planning, budgeting, forecasting, pricing and product development, capital planning, financial reporting, and asset and liability management. Indeed, managing technology is becoming a key part of the actuary's role today, and many are planning for and investing in next-generation technologies that are more flexible, customizable and automated.

Importantly, actuaries must focus on the design and execution of a governance framework for actuarial assumptions, methodologies and processes to produce transparent audit trails and provide assurance to management, regulators and external audiences.

This is a departure from the actuary's traditional role. As a result, many actuarial organizations lack the advanced capabilities, processes and technologies they need to meet these new expectations. In response, chief actuaries are exploring how to modernize their organization's actuarial operating model. They are rethinking what an actuarial department should look like, how it should operate, and what it should cost.

Actuarial modernization can help insurance companies assess and transform processes, systems and people in both centralized and decentralized operating models. When designed and implemented hand-in-hand with senior management and other key corporate functions—specifically finance and IT—actuarial modernization can improve the overall value of the function as an important contributor to strategic business and financial decision-making.

Modernizing the operating model can help actuarial organizations deliver greater value at a lower cost. The potential benefits are both quantitative and qualitative and may include reduced technology and operating expenses, faster and more accurate analyses, new depth and granularity of insights, and improved responsiveness to regulatory and market forces. It may also result in more engaged, satisfied and strategically focused actuarial professionals.

Many larger insurance companies already have incorporated some aspects of actuarial modernization into their operations. However, in general, insurance companies have a considerable amount of work ahead of them if the goal is to implement modernization programs across the enterprise.

Here are some concrete steps actuarial leaders can take to move a modernization project forward:

- Lay out a future-state organizational structure without constraint. Identify needed skill sets and plans to develop them. Put roles—not names—in boxes. Create job descriptions that include desired employee skills.
- Make sure the right talent is doing the right work. Evaluate opportunities to reorganize people in ways that are not constrained by typical function/line-of-business barriers.
- Develop a framework for developing and deploying talent so that employees have the freedom to move across departments, functions and other common organizational barriers.
- Recognize where similarities exist in processes and functions; they may provide opportunities to align like processes with the right talent (e.g., an IT resource rather





than an actuary). Identify processes that could use technologies such as natural language generation, advanced scripting or robotic process automation, and source solutions elsewhere in the company or from vendors.

- Question the status quo of each work product. Is it strategically adding value? Is it still needed by the organization, or is it addressing an old request?
- Develop a bench or pool of nimble talent to function as surge resources. Co-source work with other departments, and look for opportunities to use crowdsourcing to leverage resources during periods of high demand.
- Instill governance and accountability within the organization's culture so that, as actuaries move across functions or work with diverse groups, the foundational expectation for strong governance exists enterprise-wide.
- Embrace and focus on data; it is both an essential asset and a potential liability. Make sure all IT systems and data are accessible and reliable.
- Map out where and how actuarial data are obtained, processed, fed into models, reported and analyzed. Rework

processes so that actuarial employees focus solely on reporting and analysis. Rely on IT to handle other processing and data-related tasks.

Senior executives expect company actuaries to be more proactive and strategic. By embracing a new, technology-powered operating model that frees them from the constraints of business as usual, actuaries can provide valuable information and insights more quickly and inexpensively, expand their skill sets, and become catalysts for strategic change. ■



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## COMMUNICATION

# Book Review: *The Wisdom of Finance*<sup>1</sup>

By Mary Pat Campbell

I highly recommend Mihir A. Desai's *The Wisdom of Finance: Discovering Humanity in the World of Risk and Return* for actuaries, for a variety of reasons. First, are you tired of trying to explain what you do to friends and family? Of being just a "number cruncher"? You can give this book to them to explain the ins and outs of risk transference, risk-return trade-offs, leverage and embedded options.

You could use the book as a conversation-starter, such as this observation on the connection between insurance and witchcraft:

Historian Alan Macfarlane notes that "punishment of witches was not merely for past offenses ... [it] was regarded as a prerequisite for healing from witchcraft and an insurance against future disasters." And historian Owen Davies notes that, with the rise of insurance, "not only was the scope and impact of misfortune mitigated but blame for the experience of misfortune began to be appointed to the failures of these welfare mechanisms." If the alternative is drowning your neighbor after declaring her a witch, complaining about the insurance company denying your claim isn't so bad.

You can finally say to your children, "Aw, my sweet little terminal values," or to your parents, "I love having you as my negative beta assets," and be appreciated.

OK, maybe not.

The book is good for the non-finance person:

- First, it is very short—less than 200 pages, and less than seven hours listening time for an audiobook.
- The author makes core financial concepts comprehensible for non-finance people. He uses examples from history, literature, art, poetry, movies, TV and even song lyrics ("She take my money when I'm in need?...").

- There is almost no math whatsoever in the book—just a small amount of arithmetic when Desai explains how financial leverage works.

There are roughly two parts to the book: The first half deals with the pretty theory involving risks, returns and value creation. The second, messier, half looks at how people behave and feel surrounding finance, and even ends with a chapter titled: "Why Everyone Hates Finance."

Let's look at that last idea—because this book is more important for people who actually work in financial fields than for those outside looking in. In this book, Desai takes a denigrated subject, even by some of its own practitioners, and makes it more human (with all the bad and good that entails).

The problem has been that finance has become more and more about numbers—and we see it as more abstract and divorced from what it is: a tool created by humans to accomplish specific things. Much of finance was originally developed to fund wars—and it's also been used to fund exploration, to protect people from disaster, and to make development possible.

Spurred by a blog post,<sup>3</sup> in comments someone asked: "[A]ctually, to what extent do you think being an actuary can help people?"

I had to think a while, and I came up with this answer:<sup>4</sup>

Actuaries tend to be very far removed from the beneficiaries of their work. We sit in cubicles, staring at computer screens. We wrangle with messy data. We have legacy spreadsheets we are trying to tame into something that gives us sane answers. ...

We've seen in a major way that risk exists. We're all going to die; it's just a matter of when. If you own stuff, that stuff can get destroyed or damaged and might need to be replaced. If you do stuff, something bad could happen, and you could get sued. It would be nice if there were ways that we could prepare for these risks, reduce the costs for preparing for these risks, and be able to count on that protection. ...

So the whole point is that we [actuaries] are trying to help people reduce the financial impact of very real risks, by transferring these risks into affordable, regular premiums—and setting it up so that you can depend on that protection being there. It took lots of disasters and failures, and a long time of developing the tools of actuarial science, for us to have a dependable insurance system. I've gone back and researched a lot of the 19th century insurance biz ... and it's ugly.

It can help to keep this big picture in your mind while you do your work. This is a very details-oriented profession (those details are very important); but this does not mean you cannot see how it contributes to helping people deal with risk better.

It can be difficult, when you're wrangling with the details, to be able to see the bigger picture. But it's important. I've seen many people like those in a recent *Money* magazine article who felt their jobs are "socially useless."<sup>5</sup> We compare ourselves to teachers, doctors or firefighters—and often the most tangible things we produce are PowerPoint decks and spreadsheets. It can really sap meaning out of your work.

This book really helps one connect to the core ideas of finance; why it's important to have good, ethical finance; and how that can build and protect value for people in the world.

Desai talks about both the good and bad in finance—not just in terms of real history but also fictional reflections. In terms of history, we hear about how idiotic annuity pricing helped fuel the French Revolution, how bottomry helped fuel global trade and market, and how the AOL-Time-Warner merger destroyed value, among many other historical stories. As for fictional illustrations, we have the 1980s movie *Working Girl* describing why mergers occur, Mel Brooks' *The Producers* highlighting the principal-agent problem, and 19th century British literature explaining the value of holding a diversified portfolio of options when it considers the marriage market for young women.

To entice actuaries further, the book starts off talking about risk and insurance—it's right there in the first chapter! And it brings to light two names forgotten in today's actuarial circles: Flitcraft and Peirce, and their connection to Dashiell Hammett and *The Maltese Falcon*. In the book (not the movie) Sam Spade is telling another character a story of one of his earlier cases, where a man named Flitcraft disappeared one day, and Spade tracked him down after a number of years—Flitcraft had been in a near accident, when a beam fell off a building going up. It shocked him, and he decided to make a complete change in life—and then he settled back into the pattern he had before: same kind of job, same kind of wife and kids, and living in Spokane instead of Seattle, albeit with the surname Pierce.

As Spade remarks: "I don't think he even knew he had settled back naturally in the same groove he had jumped out of in Tacoma. But that's the part of it I always liked. He adjusted himself to beams falling, and then no more of them fell, and he adjusted himself to them not falling."

Well, Flitcraft and Peirce, as we learn in Desai's book, refer to two people from the realm of probabilities and insurance. Allen

J. Flitcraft was known for his series of *Life Insurance Manuals*, which held lists of life insurers, their application agreements and policy forms (which often had premium schedules).<sup>6</sup> His book was a vade mecum for life insurance agents in the late 1800s and early 1900s.

Charles Sanders Peirce was known for many intellectual developments, such as the randomized trial for scientific experiments. Of interest to actuaries, he was a key figure in the development of modern statistics, and introduced the terms "confidence" and "likelihood."

Because of this book, I have started digging into more about these people, as well as others mentioned, such as Joseph de la Vega (one of the earliest authors of a book on stock trading, in 1688), Wallace Stevens (the American poet who also was an executive at The Hartford) and Robert Morris (who Desai terms as being "the man who could have been on the \$10 bill" in place of Hamilton).

The point is that finance in general, and actuarial work in specific, are part of a long, human story, and this book helps us connect to that story. We need this reminder from time to time, just to ground ourselves. ■



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## ENDNOTES

- 1 Desai, Mihir A. 2017. *The Wisdom of Finance: Discovering Humanity in the World of Risk and Return*. New York: Houghton Mifflin.
- 2 "Gold Digger" by Kanye West.
- 3 Grant. What is so Bad About Being an Actuary? 2009. *Wisdom and Wonder*. Nov. 2, <http://www.wisdomandwonder.com/article/4120/what-is-so-bad-about-being-an-actuary> (accessed April 17, 2018).
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- 6 As an example, see the 14th annual edition of Flitcraft's *Life Insurance Manual*, published February 1901, [https://books.google.com/books?id=MaQ5AAAAMAAJ&printsec=front-cover&dq=flitcraft+life+insurance+manual&hl=en&sa=X&ved=0ahUKEwi82cr4y8HaAhUCMd8KHtw\\_AuMQ6AEILDAB#v=onepage&q=flitcraft%20life%20insurance%20manual&f=false](https://books.google.com/books?id=MaQ5AAAAMAAJ&printsec=front-cover&dq=flitcraft+life+insurance+manual&hl=en&sa=X&ved=0ahUKEwi82cr4y8HaAhUCMd8KHtw_AuMQ6AEILDAB#v=onepage&q=flitcraft%20life%20insurance%20manual&f=false).

# COMMUNICATION

## Building More Influence

By John West Hadley

I started part one of this series<sup>1</sup> by sharing my definition of the goal you should have for any conversation where you want to achieve true influence:

*“To help the other person succeed by producing a solution that best meets their needs.”*

In part one, I spoke primarily about how to apply this to networking, and then touched on interviews. In part two,<sup>2</sup> I did a deeper dive on applying the concepts to the interview process, and a widely overlooked aspect: managing the interviewer’s tension.

Now let’s take a look at common traps that get in the way of building true influence, whether for an interview, a critical career discussion or a consulting sales effort.

The first is what I like to call GUESSING. This is where you assume you already know the other person’s needs, and act accordingly.

This can cause you to look:

- Arrogant, because you are pushing your agenda without first deeply exploring my needs.
- Pushy, signaling that you are just here to sell.
- Naive, because you think you already understand my needs. How can you, if we’ve only touched on them at a surface level?
- Uninformed, because you don’t really know as much as you think you do.

If your guess is just a little bit off, you lose most of your credibility and will have to work hard to regain it.

Here’s a prime example:

A CFO was looking for a job and struggling to get past the initial screening interviews. When asked what sort of questions he was posing, his response was that he already understood their needs, so he didn’t need to ask any.

Really?

Even if you are a world-class expert in the subject area, unless you have a great deal of inside information, you can’t possibly know all the nuances of how they apply to my particular operation. And you can only GUESS at the specific obstacles I’m running into, and the underlying reasons why those manifest in my situation.

And here’s another reaction that interviewer might have:

*“Are you really interested in this opportunity? After all, you’re not even bothering to ask me much about what you will be walking into.”*

Some people are afraid not to GUESS because they fear that if they don’t immediately present their value proposition when they sense an opening, they will never get another one. This is a flawed assumption.

If you get into a deeper conversation about my needs, what causes them, how they manifest in the operation, what other areas are affected in what ways, and so on, I can guarantee that you will hold my interest. As you do that exploration, you will get so much more information that will help you see:

1. How to adjust the proposition you had in mind at the beginning to better fit my exact situation, and
2. Which examples of your own expertise and accomplishments will be closest to the mark when you do show me how you might address my specific issues.

A common theme to how to avoid this is to develop patience. And that patience tends to come from a reservoir of confidence ... confidence that you have something really valuable to offer the other party, that they will recognize that, and that you don’t have to jump on any opportunity to present it.

I’d be interested in your feedback on this series. Drop me a note at [John@JHACareers.com](mailto:John@JHACareers.com). ■



John Hadley is a career counselor working with job seekers frustrated by their search and professionals struggling to increase their visibility and influence. He can be reached at [John@JHACareers.com](mailto:John@JHACareers.com) or 908.725.2437. Find his free *Career Tips* newsletter and other resources at [www.JHACareers.com](http://www.JHACareers.com).

### ENDNOTES

- 1 “Building Influence” in the November 2017 issue of *The Stepping Stone*, available at <http://thestepingstone.soa.org/?issueID=2&pageID=1>.
- 2 “Building Influence in Interviews” in the March 2018 issue of *The Stepping Stone*, available at <http://thestepingstone.soa.org/?issueID=3&pageID=1>.

# SOA Explorer Tool

Find Actuaries Around  
the Globe

The SOA Explorer Tool is a global map showing locations of fellow SOA members and their employers, as well as actuarial universities and clubs.

[Explorer.SOA.org](http://Explorer.SOA.org)



## COMMUNICATION

# Leadership Inspiration: An Admirable Leader

By Brian C. Hinkle

*Editor's note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be better actuarial leaders. Here is the winning entry from the Admirable Leader category.*

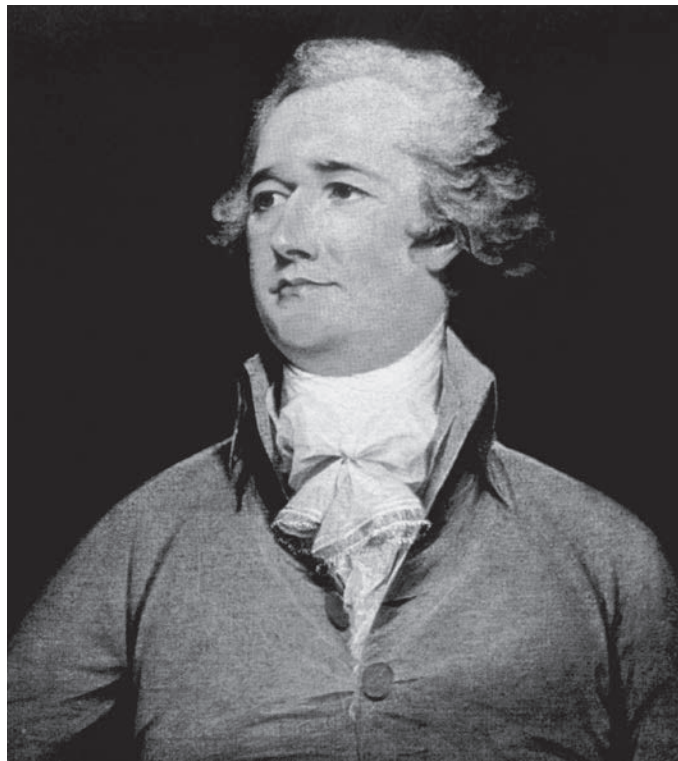
**F**irst, a confession. Everything I know about Alexander Hamilton, I learned from the Broadway play *Hamilton*, which I have never seen. I have listened to the soundtrack several times though, which paints the picture of a great, but flawed, leader.

Alexander Hamilton came from extremely humble beginnings, yet rose to be one of our nation's founding fathers. He did so through unmatched ambition, hard work, rare intellect and a propensity to always speak his mind. This led him to be brash, somewhat self-obsessed and arrogant, but also to accomplish great things through strong principles of what our nation could and should be.

The most valuable lesson I take from Alexander Hamilton is the importance of speaking up. In today's corporate culture, there can exist an almost reverential deference to the ideas and opinions of senior leaders. No doubt, these leaders have knowledge, experience and judgment that should be respected and highly regarded—but not so much that we diminish our own value by not speaking up.

To me, that's what it comes down to: a belief in my own personal value. If I hold back my ideas or opinions because they might contradict a more senior associate, I'm expressing a belief that I have less value as a person than they do. If I respectfully express my idea or opinion and, due to their higher level of knowledge, experience or responsibility, the senior leader chooses a different course, then I am able to support that decision. While I must defer because of the hierarchical corporate structure, I know that on a personal level, I have operated as an equal.

When we diminish our own *personal* value by silently deferring to associates with higher corporate value, we are harming all



involved. Personally, we lose out on the opportunity to discuss and talk through our ideas with wise counsel. We begin to lose confidence and initiative as nonthinking silence becomes the easier path. Senior leaders lose access to innovative or contrarian thinking that can either broaden their thinking or help refine their current position. And the organization loses out on the benefit of all associates bringing their best ideas and efforts.

I'm fortunate enough to work with senior leaders who have always welcomed, and often sought out, the input of those beneath them on the corporate ladder. My ideas have always been accepted; sometimes acted upon and sometimes overruled. Both outcomes have been wonderful learning experiences.

Aaron Burr, Hamilton's rival, is notorious throughout the play for never speaking his mind, in fear of it someday being used against him. This reticence to share his opinion ultimately stagnates his career and causes him to lose the presidency. I'll take the Hamiltonian approach, albeit less brashly, and I certainly won't be dueling anyone who disagrees with me. ■



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# PEOPLE MANAGEMENT

## Radical Candor: Giving—and Receiving— Feedback in Real Time

By Mitchell Stephenson

*“Feedback is the breakfast of champions.”*

—Ken Blanchard, American author and management expert

**K**im Scott is the co-founder of Candor Inc. and a former Silicon Valley executive. Early in her career, she mishandled a situation with an employee. This employee was well-liked in the office and got along well with everyone. The only problem was that he was terrible at his job. As a newer boss, Scott helped to set a culture in which the employee’s co-workers picked up the slack for him, and did not communicate to him what he should be doing differently. As a result, she ended up firing him during a one-on-one, over a cup of coffee. His response was, “Why didn’t you tell me?”

This set Scott on a decades-long journey to develop her own personal style of giving feedback in real time, as she climbed up the executive ladder at companies such as YouTube, Google and Apple. She wrote a book called *Radical Candor*<sup>1</sup> on the method that she developed, and created a podcast by the same name. It’s an excellent resource for anyone interested in the topic of giving or asking for feedback in real time.

According to Scott, many of us grow up learning not to say to each other what we really think. An example of this is the phrase we’ve probably all heard, “If you don’t have anything nice to say, don’t say anything at all.” The problem is, when it comes to giving feedback, this can be disastrous. The motto that we really should be abiding by is, “If you see something, say something.”

Take, for example, a basketball coach. Imagine that you’re coaching a game and you have a player who is getting beat to the basket every single possession. You wouldn’t wait until halftime, or the end of the game, to pull the player aside. And you wouldn’t say, “You’re killing us out there! Next game, we



need to work on how to stop your opponent from scoring on you every single play!”

Instead, you would pull the player out of the game as soon as you notice a problem, tell him or her what to do differently, and then put the player back in, with a chance to adjust. Yet, because of the formal mid-year and year-end review processes that many of us have at our companies, we do exactly that. We wait for these discussions to give or ask for important feedback.

The purpose of giving and receiving feedback is to help each other define what success looks like. We need to tell each other what we should keep doing to continue being successful, and what we should be doing differently to be more successful. When we wait for these formal review discussions, it is often too late for the recipient, including us, to effectively make any changes.

Here are some ways that you can focus on giving and receiving feedback in real time.

### INFORMAL, IN-THE-MOMENT FEEDBACK IS OFTEN MOST EFFECTIVE

Scott tells a story in which she received some of her best feedback in a brief discussion after a meeting, while walking to the elevator. Some of the most effective feedback that you hear, or can deliver, occurs in similar situations.

The most important thing is to state the situation, the behavior, and the impact the behavior had on the situation. For example, you may pull someone aside after a meeting and say, “That meeting was going off the rails. You held up the agenda.



It got everyone focused, and we got through everything on time. Good thinking.” Or, someone may say to you, “There was a lot of content to cover during that meeting. You went with a 40-slide presentation. It was overwhelming. Next time, try going with fewer slides, and deliver more of your message verbally. It will be easier for your audience to understand.”

Informal, in-the-moment feedback like this is often unfiltered, and it occurs close to the event, so that it is likely to stick with the recipient.

#### AVOID USING THE WORD “HOW” WHEN ASKING FOR FEEDBACK

We are accustomed to addressing questions that begin with “how” with a specific set of responses. If you ask someone “How did that go?” or “How did I do?” they are likely to tell you that it was “fine” or “good.” However, if you ask, “What is one thing I should keep on doing, and one thing that I should do differently?” they are much more likely to answer one or both of those questions for you specifically. Choose your language carefully, and you will get much more honest, and useful, feedback about your performance.

#### DON’T SUGARCOAT CONSTRUCTIVE CRITICISM

When it comes to telling someone that they need to do something differently, or offering constructive criticism, it’s best to avoid something that Kim Scott calls a “feedback sandwich.” This is when we say something positive at the beginning and end of a feedback loop, to make the other person feel better.

It is fine to work in positive feedback along with constructive criticism, where necessary. Generally, we want to be communicating positive feedback more often than constructive criticism. However, when it comes to offering constructive criticism, your message can get lost in a feedback sandwich. An example of this is, “Great job in that meeting! I noticed that at critical points in the presentation, you significantly misrepresented our team’s work product. But your energy was super great, so keep it up!” If you offer feedback like that to someone, he or she will probably walk away from the interaction remembering, “great job, good energy, and keep it up.”

Instead, you need to be as clear as possible. What you should say is, “During the part of the presentation when we talked about our key conclusions, you said some things that were not consistent with our findings. That misled the audience, and they probably drew the wrong conclusions. Before the next meeting, we need to practice what you’re going to say, before we go in there.” When you don’t deliver constructive criticism in a feedback sandwich, it is much less likely that the recipient will misinterpret your feedback.

#### DON’T GIVE, OR RECEIVE, ANY FEEDBACK AT YOUR NEXT REVIEW

Set a goal not to give, or receive, any new feedback at your next mid-year or year-end review. If you are finding yourself waiting to ask your manager for important feedback, to give it to your employees, or to offer it to your peers, find a way to do so much earlier and much more consistently throughout the year. The purpose of these discussions should be to recap the major accomplishments since the last review, and to focus on the development items and objectives for the upcoming period. These reviews should not be used to offer or ask for important feedback for the first time.

We can’t retroactively make changes if we’re only learning something now that we should have been doing earlier. The same is true when we are telling someone important feedback: They can’t go back in time and make changes based on feedback that we never communicated to them.

When speaking about receiving feedback, Steve Jobs said, “I don’t mind being wrong, and I’ll admit that I’m wrong a lot. It doesn’t really matter to me too much. What matters to me is that we do the right thing.”<sup>2</sup>

If we give each other informal, in-the-moment feedback, choose our language carefully when asking for feedback, stay away from feedback sandwiches when it comes to constructive criticism, and make sure to give, and receive, feedback consistently throughout the year, we can help each other define what success looks like. This will help us to do the right thing. After all, if we want to be successful, in keeping with the spirit of what Ken Blanchard says, we need to have feedback for breakfast, lunch and dinner. ■



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## PERSONAL DEVELOPMENT

# How to BELIEVE in Yourself More (Hint: Start Small)

By Doreen Stern, Ph.D.

**M**y father was a perfectionist. There was a right way to do things and a wrong way. Of course, his way was right; most everyone else's wrong. That belief had pernicious effects.

The logical consequence of having a parent with perfectionist tendencies is it's difficult to satisfy them. For instance, when I was 7 years old, my dad grabbed a broom out of my hands and bellowed, "You're not sweeping the sidewalk the right way."

Even at such a young age, I imagined myself rolling my eyes and saying something like this to him, "Hey, give me a me a break. You told me to remove the leaves; how I do it doesn't matter. And since this isn't a race, let's not worry about whether Superman could do it faster."

Another example is when my dad once became frustrated at how I was washing the dinner dishes. "You're doing it the wrong way," he roared, when I was a teenager. "Go do something you're good at, like reading a book." My dad tapped my younger sister to take my place, since he believed she was "good with her hands." In the meantime, I escaped to my room to read *Madame Bovary*, while my sister probably harbored thoughts of asphyxiating me.

Sure, it's easy to see how my dad's actions could have undermined my confidence. Yet his perfectionism might have affected his views of himself in a far worse way.

Fifty years ago, my parents moved into what they affectionately called "the new house." It hadn't been recently built, yet the dwelling was brand new to them. My father was a plasterer by trade, so he considered himself handy. Hence, it might have seemed unremarkable when he decided to turn the attic into two bedrooms plus bath. The bedrooms went fine, but my dad ran into difficulties installing a bright red basin in the bathroom sink. He didn't want to ask for help. Or didn't know

whom to ask. So he stopped cold. When he died in 2007, said bathroom was in the same unfinished state.

What do you suppose my father said to himself every time he saw the undone work during the 40 years he lived in that house? Do you think it was complimentary? Or might he have berated himself? Could he even have used swear words?

Let's look at what research suggests about getting gnarly things done and then consider ways my father could have handled the situation differently.

### WHAT STEPS FACILITATE GETTING THINGS DONE?

Tim Herrera, editor of the "Smarter Living" column in *The New York Times* offers readers tips and advice about living better, more fulfilling lives. He claims that out of all the articles and books he's read about productivity and getting things done, "the only trick that has ever truly and consistently worked" for him is "just getting started."<sup>1</sup>

### What Does "Getting Started" Mean?

According to Herrera, getting started means doing a two-minute task. It could be as simple as logging onto your computer, placing the cursor on the toolbar, opening up a new document, naming it and writing a sole sentence. Voilà! That's it. Success.

### WHY DO A SMALL TASK?

James Clear provides self-improvement tips to hundreds of thousands of people around the world. His advice is based on scientific research. He offers one of Newton's laws of motion as the rationale for starting a two-minute task. Rule No. 1 states: "Objects in motion tend to stay in motion." Hence, "find a way to get started in less than two minutes. Because once you start, it's much more likely that you'll continue."<sup>2</sup>

The same holds true for objects at rest. They tend to stay that way unless something jolts them out of their inertia. That's why procrastination is so deadly. Unless something jars us, we tend to stay stopped. Beginning is the push most of us need.

The second reason starting is so effective is that our brains abhor unfinished projects. In fact, undone tasks create unresolved tension. In psychology this is called the Zeigarnik effect. It states that people remember uncompleted or interrupted tasks more than completed ones.<sup>3</sup> So when we start something, we yearn to finish it. If we have only a small task to accomplish, we're much more likely to keep going.

A third benefit of starting small is that doing so stimulates the release of a chemical called dopamine in our brains and bodies. This neurotransmitter helps us see possible rewards and take focused action toward them. "Dopamine will flow as a result of



your brain's positive reinforcement every time you complete a step and meet a challenge," says neurologist Judy Willis.<sup>4</sup> It also triggers a feeling of deep satisfaction and pleasure.

Finally, researchers have found that "ordinary, incremental progress can increase people's engagement in their work and happiness during the workday."<sup>5</sup> This means that when you have a PowerPoint presentation to create, something as easy as tapping the "P" on your toolbar, choosing a slide theme, and then putting a title plus your name on the first slide can make you feel happier.

### HOW COULD STARTING SMALL HAVE HELPED MY FATHER?

There are at least three ways my dad could have restarted the sink project once he got stuck. He could have picked up the installation manual and read the directions out loud. No sweat, right? He could have gone back to the plumbing store where he bought the sink, told the person at the counter he'd run into difficulties, and ask if there was someone who could give him advice about the problem he'd encountered. And he certainly could have phoned a plumber and paid that person to dig him out of his dilemma. Then my dad wouldn't have had to stare at an unfinished bathroom.

### WHAT'S THE CONNECTION BETWEEN STARTING AND BELIEVING IN YOURSELF?

Dr. Daryl Bem is a social psychologist and professor emeritus at Cornell University. He's the originator of the self-perception

theory of attitude formation and change. Rather than espousing the view that our early experiences determine who we become, Bem maintains that we are what we do. In short, he claims that our brains observe our actions and make judgments about who we are based on the behaviors we exhibit, just as it would about our co-worker, neighbor or physician. "We are strangers to ourselves," he says.<sup>6</sup> We know only what we see. Hundreds of experiments have confirmed this theory.

Following Bem's line of reasoning, if a person wants to view her- or himself as a wine connoisseur, they might regularly attend wine tastings, read *Wine Spectator* and ask questions of sommeliers. Similarly, those of us who want to think of ourselves as reliable might pay our bills before they're due, finish assignments in a timely manner, and appear at meetings early. Ergo, by watching ourselves complete important projects, we'll believe in ourselves more. Much more, according to Bem's self-perception theory.

### WHAT CAN YOU DO TODAY?

The incontrovertible fact is the only way anything will get done is if we begin. Thus, I invite you to consider three questions:

- What project will you start today?
- What two-minute task will you do?
- When will you email me to say what you've done (considering there could be an even larger dopamine rush when you tell somebody about your accomplishment)? ■



Dr. Doreen Stern is a writer, motivational speaker and success coach in Hartford, Connecticut. Her dream is to become a best-selling author. She's currently writing a book about creating the courage to tell the truth. She can be reached at [Docktor@DoreenStern.com](mailto:Docktor@DoreenStern.com).

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