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# Ground Assessment of Soft Skills in Actuaries

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ComRes undertakes a stakeholder perception audit for the Institute and Faculty of Actuaries (IFoA UK) annually, and the latest audit revealed that “people who have the most negative opinion of actuaries are actuaries themselves.”<sup>1</sup> Andrew Brown, in a report to Institute of Actuaries, notes that “there is a universal perception that actuaries are poor communicators.”<sup>2</sup> Elaborating on this theme, Joanne Ryan writes for the Society of Actuaries that “for many of us soft skills may not come naturally.”<sup>3</sup>

We are aware that soft skills are important, but, somehow, they appear distant, and despite repeated attempts, we experience marginal improvements in soft skills, especially among younger actuaries.

The aim of this article is to bring this guilt out into the open and explore some possibilities as to why this might be occurring. It is only through effective understanding of the problem at hand that we can suggest some prescriptions. The second half of this article, “Building Durable Soft Skills,” will explore prescriptions on how to make our soft skills robust based on understanding the problems discussed in this first part. The suggestions are based on the author’s experience and observations as well as picking up pointers from reading that might help us to improve our soft skills. It is hoped that this article can help us better uncover the various hidden faces and elements that almost every actuary must confront consciously or unconsciously in our journey.

## THE PROBLEM WITH SOFT SKILLS

Our soft skills usually work for us only in good times. In difficult times, we generally seem to go back to square one. This is because, normally, we are too result oriented. School fails to replicate reality because it teaches us to be successful instead of how to effectively handle failure (Nassim Nicholas Taleb—Facebook posting, December 1, 2014). We abhor making mistakes even though we know that we cannot learn anything new without making mistakes. Making and sustaining a good impression with other colleagues is foremost, and that means learning the ropes in the workplace. It is most important to be considerate of others, especially those senior to us, but we tend to overdo it and let our inner voice be drowned by their opinions.

Moreover, the explosion of information in our times has made us broad in knowing things on the surface, but perhaps inwardly shallow. Countless applications and social media incursions mean that we are constantly busy scrolling down a wall or tweeting or chatting. This has its benefits, but diverting attention to too many areas can potentially radically reduce our capacity for insight.

Socrates warned us millennia ago to “beware the barrenness of a busy life.” This statement hides more than it reveals and so should be clarified. It is, of course, important to keep doing something and to be active and busy productively, but here he is warning us of “barren busyness.” It has become very common to see the roles that we have to play and mold ourselves according to that (psychologists call it “mirroring”).<sup>4</sup> Sometimes we are even proud to say that “we do not have time.” It is important to spend some free time with yourself because an occupied and busy mind focusing entirely on routine will tend to not do anything to learn further or learn those skills (such as soft skills) that are not directly relevant or less important than other more immediate skills (such as quantitative skills for actuaries).

Another potential pitfall is the “fundamental attribution error.”<sup>5</sup> This is supposing that everything bad has happened to us because of external circumstances and everything good has happened to us because of our own actions and strength. At the other extreme, this error is blaming yourself for failure even when many external influences are at play as well. Life is more complex than we usually comprehend, and in our haste to assign meaning and reasons for failure or success we tend to distort the underlying reality.

Everyday life is full of routines, deadlines and similarities. Whether it is commuting to work, attending classes or doing household chores, we experience monotony and have a gnawing feeling that we are somehow not fully alive. Weekends become a way to party and break these routines, only to become another routine itself. Life seems little more than a transaction: earn money (do study, then work) and spend money (consume brands to make life feel new and not monotonous). How many times can we say that we are doing or thinking something because we truly want it from our souls? This “barren busyness” (Socrates) causes us to lead large parts of our lives on autopilot, an automatic spiral of action and reaction, or, in other words, like an exhibition. It’s just like what Plato said, “We are like people looking for something they have in their hands all the time; we’re looking in all directions except at the thing we want, which is probably why we have not found it.”

Sometimes, in those rare periods when we start to focus without distractions, anger is bound to be felt, but it is because we have not paid proper attention to the training of our hearts and because we associate emotions with weakness. Emotions are not



our weakness but our greatest strengths as human beings. So do any action, but from your soul, not from your mind. Feel, don't think.

### BUILDING DURABLE SOFT SKILLS

The aim of this section is to elaborate on these themes so as to build soft skills within us that are not just on the surface, but hopefully deep inside our very fabric of decision making.

As actuaries, we might be focusing too much on educating our minds and not giving enough thought in comparison to education of our hearts. Aristotle has warned us here: "Education of the mind without education of the heart is no education at all." And, then, here is where Nietzsche whispers in our ears: "You must have chaos within you to give birth to a dancing star." This hits the core; we should have a healthy level of creativity, intuition and holy curiosity within ourselves as well, because this complements the scientific, intellectual and rational mind, not opposes it. The greatest of mathematical equations has to be felt first by our human emotions before it can be understood by our rational mind. We have to revive the human touch from the icy waters of calculations.

We should give due importance to the journey as well. We should accept and celebrate our failures and not just our successes. Our focus on making good impressions should be moderate and reasonable and not relying too much on our impressions, because human opinions are fickle and they take a very short time to change. We should focus on listening to our inner voice

and doing what we are passionate about as well as making good impressions in the office. That means sometimes making mistakes, too, to learn something new and to progress ahead.

We need to focus more on quality rather than quantity. If we are deep enough, we will realize the interconnections between various elements and then ultimately be broad enough too.

We have to learn to differentiate between what is in our control and what is not so as to avoid the fundamental attribution error and allocate blame and praise validly.

We should not give in to the compartmentalization of knowledge where specialized and isolated pockets of knowledge are accessed without any connection to the bigger picture involved. Even if I am only a reserving actuary, I should have idea on how this connects with pricing and underwriting and risk management functions as well to have a holistic picture of the company's performance.

It is hoped that this article is able to separate the wheat from the chaff and be able to chart a course of action for us. In conclusion, to rephrase Karl Marx, we actuaries have nothing to lose but our illusions. We have a world to win! ■



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### ENDNOTES

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