



SOCIETY OF ACTUARIES

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Editorial

A SEAT AT THE TABLE

BY SUSAN SAMES

THE ACTUARY RECENTLY finished a four-part series on actuaries on corporate boards. The series makes the case that actuaries bring valuable skills to boards and provides ideas on how actuaries can better position themselves for such a role. I just finished the first of a three-year term on the SOA's own board of directors and wanted to share what that was like. While the SOA is a nonprofit, many of the governance issues are the same. One of the more significant differences is higher percentage of women on our board.

The "Women's Leadership Breakfast" at the SOA's 2012 Annual Meeting was led by Mary Heath of HeathFlynnHolt, an executive coaching firm specializing in women and leadership. She said that women now hold just under 15 percent of the seats on U.S. corporate boards. Her firm is targeting to double that. They consider 30 percent a tipping point where there are enough women to change the dynamics of the group.

As I talked to women at this session, there was a lot of excitement that our incoming president is a woman and that the board has reached this tipping point with 11 women out of 28 members. There was also a lot of interest in how our board operates, how we conduct discussions, how we make decisions, whether we try to arrive at a consensus or use a simple majority vote.

Do we just approve these initiatives? Do our discussions change people's minds?

As with the corporate boards described in the series, our board provides oversight. We deal with strategic, not day-to-day operational, issues, and much of our work is done outside of the meetings. For example, the board just adopted a new strategic plan, which is intended to carry us from 2013 to 2016. While the board had input, we did not develop the plan itself; a task force was authorized by the board. Most initiatives are dealt with in this manner—a smaller group, which often does include board members, studies the issue and reports back to the board with information, analysis and recommendations, which we will discuss and vote on during the meeting.

At 28 members, the SOA has a large board. It can be a logistical challenge to hold a meaningful discussion with that many people. Over time, the board has developed ways to manage its meetings to help ensure that members get the most out of them. The board is not trying to achieve a unanimous vote; that would be impractical. We do try to have enough discussion to get what we term "a sense of the board."

I think it is a hallmark of our board that we have a lot of discussion. We meet in person

at least three times a year and hold monthly calls in between. So that we all come suitably prepared, we have a Board Book of material to read in advance. We review a preliminary agenda in advance and have an opportunity to provide comments. We have a timed agenda for the meeting. The basic elements of *Robert's Rules of Order* are used as guidelines for the meetings, so we have formal motions, which are moved and seconded. Every member has an opportunity to ask questions and provide comments on every topic. We all participate. If we have not had enough time to discuss an issue, it may get put on the agenda for the next day or the next meeting. When motions are put to a vote, we have a show of hands with board members voting "in favor," "opposed," or "abstaining." Immediately after the meeting we issue an email to our membership with highlights of the meeting. The formal minutes of the meetings are available once the board has voted to adopt them. Communicating with members is very important to us.

The single most amazing feature of the board meeting itself is how large the room setup needs to be. It is in a large ballroom, which is about the size of two standard breakout rooms. Everyone has a microphone; otherwise we would never be able to hear one another. Seating is designed to facilitate discussion. We each can see every other

member, as well as the presenters and at least one of the two full-sized screens.

Terms start at the end of the annual meeting. New members are informed that they are elected in September and attend their first board meeting (which is held during the two days immediately before the Annual Meeting) as a guest. I did not fully appreciate the literal meaning of “a seat at the table” until I was a guest at last year’s meeting and sat at a table along the outside of the room looking in. I found that first meeting very instructive. Not being able to actively participate freed me up to simply listen and observe how the meeting flows, how members conduct themselves, how they interact.

There are many benefits to getting involved. Many former SOA board members look to their service as the highlight of their professional life. I know I will as well. Board service is an excellent way for actuaries to stretch themselves and build

relationships with other actuaries. The SOA provides top-notch training to its board members around governance and related topics. Our recent training covered making decisions with limited data and how our mind naturally fills in gaps in ways that may not lead to the best outcome.

What difference has it made to have more women on the board? While it’s hard to define the impact without lapsing into stereotypes, it does make a difference. (The only belief more off the mark than thinking gender determines everything, i.e., the old “biology is destiny,” is maintaining that gender makes no difference whatsoever.) As I reread the “Actuaries on Boards” series, my attention was caught by the June/July article on personality traits that lend themselves to board membership. Experience and technical skills are necessary, but not sufficient. Softer skills, like reading people, being able to influence others, working well in a group setting and diplomacy, are critical.

I hope our example encourages more women to go through the nominations process for the board.

Fewer women opted into the process this past election cycle than the year before. Ideally we would have a large, diverse pool of candidates every year.

Of course, gender is not the only characteristic that makes a difference. While I am very pleased to be part of our board and proud that we have reached a significant milestone in terms of the representation of women, we are not yet particularly diverse either as a board or a profession in other significant ways. I hope I have encouraged others to get involved. We have a large board. There are many seats at the table. **A**



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