



SOCIETY OF ACTUARIES

Article from:

The Stepping Stone

April 2006 – Issue No. 22



Challenge Your Assumptions

by Mark E. Green

Assumptions make our lives easier. That's both good news and bad. As creatures of habit, we seek efficiency through the use of assumptions in lieu of active thought to drive most of our behaviors. With few exceptions, what we do in any given 24-hour period demands little conscious thought because we've developed habits that help us accomplish all sorts of things.

For instance, while driving (even if you're doing the speed limit), it's quite common to pull your foot off the gas pedal when you see a police car ahead on the side of the road. In that instant, it seems like your foot has a mind of its own! What really happened is that you incorporated an assumption—that getting a ticket is a bad thing—to replace the thinking component of the stimulus-thought-response chain of events. In this example, no doubt, the assumption—or habit of thought—serves you well (this is the good news).

Unfortunately, however, that's often not the case (this is the bad news). In a business, assumptions might include any of the following statements or beliefs:

- "That won't work here."
- "Dedicated employees are difficult to find."
- "I've seen this situation before."
- "Change is risky."

While some of our assumptions are useful in preventing us from having to consciously figure out the mechanics each time we confront a familiar situation, many habits of thought keep

us from stretching our capabilities and trying new and inventive, and possibly better ideas or techniques. Just like when you see a police car, these assumptions work silently, but powerfully to impact your behaviors and the behaviors of those around you.

Welcome to what I call the black box of business. Most people don't even know that it exists; yet it contains the keys to their own potential and their ability to get what they really want.

I once read that the definition of insanity is doing the same thing over and over again while expecting a different result each time. The inference here is that you've got to change what you're doing—your behavior—to get different/better results. And since so much of human behavior is driven by habit, you have to change your assumptions first. To arrange this more neatly, consider that assumptions drive thinking, thinking drives behavior, and behavior drives outcomes. Like so many other physical laws, the applications and implications of this are universal.

FORTUNE Magazine recently published a cover story about Andy Grove, one of Intel's founders and most accomplished leaders (*FORTUNE* Magazine, December 12, 2005, page 117). In describing one of the key characteristics that made Grove so successful, author Richard S. Tedlow wrote, "Forcibly adapting himself to a succession of new realities, [Grove] has left a trail of discarded assumptions in his wake." Grove's ability to challenge "conventional wisdom" (a euphemism for assumptions) paved the way for a number of seminal decisions at Intel including their move



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in the mid 1980s to exit the memory business and focus on processors, and their decision to spend millions on a ground-breaking branding campaign called “Intel Inside” to brand an internal component of a computer.

Grove is an engineer by training—someone, we assume, whose technical and career success is largely dependent upon embracing certain assumptions and beliefs about how the world works. As an actuarial professional, perhaps you can see how your technical and career advancement is similarly based on a set of operating assumptions that you hold to be true. This career inertia is expected to yield fairly predictable results; that is, if you correctly accomplish A, B, and C, then you’ll see benefits/rewards D and E. It’s also our comfort zone.

What made Grove different (and so successful at Intel) is that he actively sought ways to force himself to challenge his assumptions and beliefs—in effect continually pushing and expanding his comfort zone. It was the *modus operandi* of his personal growth and his ability to lead Intel so successfully for so long.

Can you identify the *modus operandi* of your own personal growth? When is the last time you consciously pushed to expand your comfort zone—by definition making yourself uncomfortable in the process? Can you find a way to regularly challenge your own assumptions and beliefs? If not, might it make sense to find someone who will?

You can help others with this too. For example, when was the last time that you called someone in your organization on the carpet and challenged one of their assumptions? It can be as simple as asking, “Why do you believe that to be true?” in response to a statement based upon an assumption. Your question could lead to a very productive dialogue for you both.

For sure, assumptions make our lives easier and more comfortable. It’s up to you however, to decide what you’d like to do with them to make your business and your life better. □

