



SOCIETY OF ACTUARIES

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# The Stepping Stone

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# You Haven't Changed a Bit!

by Steve Gaspar

A few years ago I moved to the Pacific Northwest. As I hail from Michigan, I did not know much about the Seattle area—other than that it rains there all the time. That's it. That's all I knew about the place. And on my first visit to the Puget Sound area that's exactly what I found—rain. It wasn't the rain I had seen in the Midwest though, which comes in two types: (1) twisting monsters that chase sensible people into basements, and (2) relentless onslaughts that cause floods. This Seattle rain resembled a misting, something just heavier than high humidity. That first day of rain reinforced the image that I had developed of the area: wet place. My initial trip there was to consider that locale for a possible relocation. After looking at several cities across the nation I picked Seattle, in spite of the rain.

The following July I arrived in Washington with my family, and we were greeted by a blue bird sunny day. This was followed by another blue bird sunny day. This went on and on, well into the fall and early winter. I thought we had moved to the wrong place because the weather did not fit my understanding of the Northwest. "I thought it rains here all the time?" I asked my colleagues. "Oh it does, it's just dry this year. . . and don't tell anyone from California or more of them will move up here" they told me.

It did eventually rain, but on the whole my experience in the Pacific Northwest did not at all match my expectations. The image I had developed in my mind from what information, or disinformation, I had accumulated was a "wet" image. This place was dry. Such a conflict between reality and a previously held mental image happens with people too, and it is both

normal and dangerous. It is normal for people to form quick first impressions of others. I can think of at least two reasons for why such behavior is normal. First, there is likely some survival mechanism burned deeply into our DNA. Our ancestors must have had to discern friend from foe in short order or they did not survive. The second reason has to do with the mind's capacity to store information. Research conducted by British anthropologist Robin Dunbar refers to this issue. This research indicates that there exists an upper limit to the number of human-to-human relationships that any one of us can maintain at one time. This upper limit is thought to be around 150 for most people. Apparently it has to do with the size of our neo-cortex. Due to the physical limitations of our brains we can track and mentally maintain 150 evolving relationships—friends, family, coworkers, everybody. Unfortunately we can not simply buy more hard drive space. This upper limit of 150 refers not only to our relationships with others, but to the relationships among those others as well. Given the large number of people with whom most of us interact, it follows that we must compensate somehow for that lack of storage capacity. We do so, at best, by holding tight to first impressions, and at worst by stereotyping.

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None of this is to say that first impressions are not important—they are important, both to the one forming the impression and to the one upon which that image is being formed. Holding tightly to initial impressions can be dangerous though, particularly for organizational leaders. Leaders could adopt a “first impression is reality” approach and be successful. Certainly many have. But to do so one must be both a greatly skilled snap-judger, and have the dumb luck of residing in a talent rich environment. Given that such a combination is unlikely, seeing the potential in people as well as their currently developed skills is a better strategy for leaders.

The other day I was surfing the net and one of those advertisements stating “what year did you graduate?” popped up in the margin of the screen. I paused to look at the funny black and white photographs of these people from another time. This got me thinking of high school friends of mine and how different many of them were in high school than when I last saw them at a reunion. Reunions are good reminders that people are capable of great change and development. Roughly 25 percent of the people I saw at my last reunion were utterly unchanged—simply older duplicates of their prior selves. About half were had changed somewhat, but not fundamentally. The people in the last quartile, however, were completely changed. In speaking with these people, some of whom I literally did not recognize, I heard story after story of how they had decided to develop themselves after high school. They chose to be something they had not been previously and then they became that something. One person worked in air combat over the Persian Gulf. Another earned a Ph.D. in psychology, and yet another arrived at the reunion in a very large limousine having transformed herself into an

extremely successful lawyer. Although these people had hugely different professions, they shared one common attribute. Each had transformed him/herself into a different person. They had indeed fundamentally changed from the people they were in high school. I am familiar with the adage “you can't change who you are,” but these people were very different. And the difference was due to their choice to develop themselves.

There are two lessons here that are applicable to the two segments of our section's title “Management and Personal Development”. For ‘management’ (I prefer the term ‘leadership’) the lesson is clear. Leaders would do well to (1) acknowledge that development is indeed possible, and (2) recognize that our natural tendency is to assume that people we meet do not fundamentally change from the time we first meet them—that is, we form a first impression and we move on. We rarely update that first impression even when years have passed. Ironically most of us do not apply that same belief to ourselves, i.e., we believe we learn and evolve continuously. First impressions are good indicators, but biases based on dated prior observations can be seriously inaccurate.

For ‘personal development’ the take away is equally obvious. We can transform ourselves. The caution here is that time alone will not cause transformation—time simply makes us old. Transformative change requires self-awareness, dedication, effort and support. Look at your development plan. Is it real? Is it targeted at the right things? Are you doing any specific activities to develop the areas of yourself that you truly believe you need to change? Are you making progress? How do you know? One more word of caution on the personal development side: higher order leadership skills are more difficult to learn, and they take longer to

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master. This fact can be vexing for actuaries. Very smart people are an overrepresented segment within our group. Very smart people often think that any mental skill can be learned quickly. Unfortunately this is not the case with leadership skills. Further, none of us will develop such skills in any length of time without a plan, without practice and without honest feedback from others.

So back to the Northwest. The initial image of Seattle which I had painted for my mind's eye was one of rain. But long after the mental paint had dried on that image I still believed Seattle to be a constantly wet place. That image was based on the limited information I had available—hearsay before I visited, and then a first impression based on one visit. Today I think that image of Seattle as a constantly wet place is inaccurate. As I write this article I am hiding from the hot summer sun inside my Pacific Northwest home. You need not take my word for it though—next year's Society of Actuaries health and pension meeting is in Seattle in June. But bring your umbrella. I hear it rains there all the time. □



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