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Don't Let Generational Differences Trip You Up

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A few years ago, our neighbors' daughter, who was in high school at the time, asked for our help on a school project. We were asked to list all the inventions that didn't exist when we were her age. After we got to about 30 items—which included CDs, laptop computers, DVDs, iPods, digital television—we came to realize just how much had changed in our lifetimes. And how old we felt as a result.

There was a time when this might have been referred to as a 'generation gap'. But, unlike the 1960s, when the dividing line was a difference of opinion, the one thing that sets generations apart today is technology, or at least our familiarity with it. Think for a moment—are your parents more comfortable with technology than you are? Were you as tech-savvy as your kids are now when you were their age? You probably answered 'no' to both of these questions, and I expect you would be hard pressed to find someone who could say otherwise.

Sociologists have attempted to label the past few generations. The 'baby boom' generation refers to the explosion in birth rates that followed World War II, and continued until the early to mid 1960s. Following that came 'Generation X', popularized by the Douglas Coupland novel of the same name. And most recently, showing just how creative we can be in naming these cohorts, came 'Generation Y'. Granted, the delineation between these groups isn't quite as clean as one would like. But it's reasonable to think that the first wave of Generation Y would have just graduated from college in the last few years; the baby boomers, on the other hand, are contemplating or have just commenced retirement.

If you're willing to make a few generalizations, you can see the same sort of pattern in the actuarial world. Take the qualification process, for example. The baby boomers would have mostly obtained their FSAs under the old 10-part system, where six-hour exams were accepted as a normal part of the process. Generation X probably spent a fair bit of time in FEM/FES, where the exams were somewhat less monolithic, and resembled more of a college

course catalogue. And Generation Y, which would comprise today's students and perhaps a few new Fellows, would be familiar with the system of the last decade, which combined traditional exams with seminars and interactive modules.

Once again, the main undercurrent seems to be technology; specifically, the availability and delivery of information. The exam system the baby boomers went through made perfect sense at the time, since textbooks and study notes were the only sources of material available. Contrast that with Generation Y, the first 'wired' generation that doesn't remember the world any other way. A system that didn't involve electronic delivery of content, with an opportunity to work interactively, would have seemed anachronistic.

This dichotomy of experience does have the potential to create conflict between the various generations of actuaries. The older generation may view the new methods of qualification as being too simplified; that the value of their designation is weakened by these apparently 'easier' methods of study. The younger generation, meanwhile, may wonder whether their predecessors really understand emerging topics such as stochastic modelling. Within organizations, that has the potential to create some tension. On the other hand, there may be a temptation to over-rely on the next generation of actuaries to do all the technical 'heavy lifting'. I have to confess—there have been occasions when I've said, "That sounds like a good co-op job." What I really meant, though, was that it involved some technical exercise (i.e. programming Excel macros) that I didn't feel like learning, and assumed would be second nature to a bright young actuarial student. That being said, the potential for a knowledge gap between senior and junior actuaries may be greater today than at any other point in history.

As we all know, actuaries (by our nature) tend to be conservative; that is, we ensure that proper margins and provisions are made in our work to cover potential unforeseen circumstances. However, conservatism could also mean resistance to change. In an



A little understanding can go a long way to bridging the gap.

Learn to speak the other generation's language

– This piece of advice is likely most relevant to Generation Y. Good communication skills are essential to a successful actuary in any circumstance. However, when speaking to an older generation, the challenge is to take what you know (or what you may have just learned) and explain it in a way that they can understand. The ability to take complex concepts and boil them down to something meaningful is a talent that will serve you well going forward.

era where technological advances are accelerating, this could further contribute to the aforementioned knowledge gap. Consider the model for distributing insurance, which still relies to a great extent on face-to-face interaction between the advisor and client. For the baby boom generation, this would seem like normal practice. But Generation Y is used to doing business electronically, often without human interaction, and doing it 24/7. Undoubtedly, this is a conflict in perspectives that exists in all sorts of businesses, but it may be particularly acute in an environment where actuaries have tended to move forward with caution.

So what can be done to help reconcile these potential generational differences? It depends on which generation you happen to belong to, but there are a few tactics to consider:

Stay current – This will be the biggest challenge for the baby boomers, and to a lesser extent, Generation X. After being away from a formal education system for a few years, it may be difficult to get back into a technical learning mode. However, this is where Continuing Professional Development (CPD) can help. The Society of Actuaries now has a formal CPD requirement. Rather than viewing it as an obligation, see it as an opportunity. Invest your time getting up to speed on new developments in the field of actuarial science. Look at what is being covered in the revised exam syllabus, and familiarize yourself with some of the new content.

Accept and anticipate rapid change – Try performing the same exercise I mentioned at the start of this article, but only in a workplace setting. What processes and procedures exist today that you hadn't anticipated (or even imagined) 10 years ago? This is advice that applies to all generations; don't assume that the world you're familiar with represents the state of affairs going forward. That assumption has been incorrect in the past, and it will be in the future. By maintaining that mindset, all three generations can share a common expectation of rapid evolution.

Of course, at the end of the day, 'baby boomers' and 'Generation X/Y' are simply labels; convenient ways to capture the experiences of different generations in a handy catchphrase. But we should be aware that, despite being in the same profession, we may be approaching our work from different perspectives, and being aware of these differences will help eliminate the 21st century version of the 'generation gap'. That way, when Generation Z comes along—however you may want to define it—we'll be ready for them. ●

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