



SOCIETY OF ACTUARIES

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What Would You Do?

By John West Hadley

The Stepping Stone is only as good as those who participate in its creation. The more broadly you, our readers, choose to get involved beyond simply reading what we publish, the better the product we will have.

In the last several years, we've had several initiatives to increase that involvement:

- From 2007 to 2009, we published "Dear Stepping Stone," answering questions posed by readers.
- For the past three years, the section council has sponsored a mini book review contest that has generated additional member content. (Three of the reviews from the latest contest are included in this issue.)
- From 2010 to 2012, Frank Grossman produced and edited the excellent "The Actuarial Ethicist" series, which brought participation from a large number of readers.

I'd love to see continued and growing interaction with readers, and encourage you to write to us

with comments on articles, topics you would like to see addressed, and specific challenges on which you would like to receive advice. Write to me at SteppingStone@JHACareers.com.

In the meanwhile, here's an experiment in generating interaction that I'll call, "*What Would You Do?*" Where "The Actuarial Ethicist" posed situations involving ethical dilemmas, I'll pose a situation involving a management, leadership, or other business decision. Write to me at SteppingStone@JHACareers.com to tell me what you would do. In the next issue, I'll compile the responses received (preserving your anonymity, of course), along with what actually happened in the real-life situation. Feel free to suggest your own situations to include in upcoming issues as well.

DEMOTE OR NOT DEMOTE?

Jim had only been an FSA for four years, and his management experience consisted only of managing a small actuarial staff. Now he received his first assignment that included indirect reports—the company's eight-person compliance unit. His boss alerted him upfront that he might have some per-

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formance issues with the unit's manager, Bruce, although Jim found that his boss had consistently rated Bruce as "meets all expectations" in past performance reviews.

The compliance unit was under a lot of pressure, as the company was pursuing a rapidly increasing number of new product filings, including new product lines. Jim immediately dove in and examined how the operation was working. He interviewed every analyst, and worked with Bruce and the analysts on ways to improve the policy form development and filing process. He quickly found a consistent theme: Everyone felt frustrated with Bruce, feeling that he resisted any suggested changes and did not pull his weight.

Over the course of the next year, Jim made substantial improvements, but was unable to make much headway in correcting Bruce's behavior. He felt hamstrung by concerns from his boss that he needed

to work his changes through Bruce and not invalidate his management authority. The frustrations within the unit grew to the point where a couple of senior analysts confided that they were considering leaving unless something changed.

Coincidentally, a manager Jim knew and respected became available from another operation. While he didn't have any specific compliance expertise, he had deep product knowledge, and was known to be an outstanding manager. Jim put the wheels in motion to replace Bruce. However, Bruce also had a great deal of compliance and institutional knowledge that was extremely valuable to the operation, particularly in a time of such rapid growth, and he didn't think he could afford to lose that.

Should Jim fire Bruce? Demote him? Find some other option to retain his expertise?

What would you do? ●



John Hadley is a career counselor who works with job seekers frustrated with their search, and professionals struggling to increase their visibility and influence at work. He can be reached at John@JHACareers.com or 908.725.2437. His free *Career Tips* newsletter and other career resources are available at www.JHACareers.com.