



SOCIETY OF ACTUARIES

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# The Actuarial Leadership Conundrum, Part 3

by Jeanne Hollister Lebens

*Editor's Note: This article is the third in a series that deals with the challenges and opportunities actuaries face as leaders. Parts 1 and 2 were published in the July 2010 and October 2010 issues of The Stepping Stone, respectively. This article focuses on the third tenet of the so-called "actuarial leadership conundrum" and suggests how thinking about your professional and personal development in a different light can help you take your career to a new level.*

## A LOOK AT ACTUARIAL TRAINING PROGRAMS

Companies today that aim to attract aspiring actuaries often pitch themselves as having "Actuarial Leadership Development" programs. In addition to providing paid study time and incentives for passing exams, these programs typically offer actuarial trainees a series of job rotations that expose them to a wide variety of actuarial projects in different businesses and product lines. They also provide classroom training on business and supervisory skills. Some assign more senior actuaries as mentors or advisors to assist trainees with career development.

Companies dedicate considerable money and resources to the design and administration of their actuarial training programs. We might even say that the actuarial profession is in a league by itself when it comes to the size of investment companies are willing to make in those of us who have chosen this vocation. But billing these as leadership development programs may give participants the false impression that completion of the exams and the resulting graduation from one of these training programs automatically qualifies them as "actuarial leaders." What we are, in fact, upon achieving this important milestone, is credentialed actuaries who are competent technicians, have some solid work experience under our belts, and have been given an opportunity to learn some basic tools for managing ourselves and others. So, at best, we are now actuarial *managers*, not actuarial

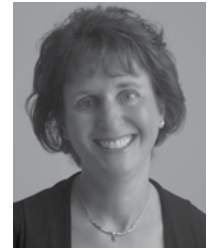
*leaders*. This is an important, yet sometimes overlooked, distinction.

## MANAGING VS. LEADING: AN IMPORTANT DISTINCTION

Look up the term *manage* in the dictionary and you will find phrases such as "to be in charge of something and to be responsible for its smooth running" and "to handle and keep control of something or someone." As suggested by the definition, managers are focused on the completion of tasks. They work with a finite level of resources (e.g., people, money, technology) to get things done on time and on budget.

In contrast, the term *lead* is associated with phrases such as: "to show the way to others, usually by going ahead of them," "to cause somebody to think or act in a particular way," and "to bring about a particular outcome." These phrases emphasize the need to have a vision of the future and motivate others to work together toward its achievement. The focus of leaders is, therefore, more on relationships than on tasks, and rather than exerting control, one relies on influence to achieve a desired end state. Furthermore, the orientation of leaders is on "what can be," rather than purely on "what is."

Although frequently used interchangeably, the terms *managing* and *leading* involve markedly different activities and skills. Appreciating this distinction is a critical first step in recognizing where we need to spend our time and how we need to relate to other people if we want to transform from being managers to serving as leaders. However, even if we understand *in concept* how managing differs from leading, exactly what to do and how to do it isn't necessarily obvious. Some companies have tried to make the mechanics of leadership development more transparent by introducing competency frameworks that describe skills and behaviors people need to demonstrate as they progress through the ranks. While helpful, these lists don't necessarily make



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“Connecting ideas and people is a hallmark of effective leadership.”  
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Lebens

it clear how these competencies fit together to create leadership traits.

## BRINGING LEADERSHIP DEVELOPMENT INTO FOCUS

Rather than thinking of our career development in terms of lists of discrete requirements, we might benefit from viewing it through different “lenses,” each with its own area of focus. We then have the opportunity to examine our actions and experiences from different perspectives. Together, these lenses shed light on how we can grow as leaders while developing our technical abilities and gaining business experience.

### *Lens #1: Mastering the Business*

This is the lens that is clearest to us as we move through our actuarial training, achieve fellowship, and assume a variety of positions over the course of our careers. Its focus is on mastery and application of actuarial concepts and developing general business skills so that we can perform our job duties competently.

The steps to achieving business mastery are laid out fairly clearly for us early in our actuarial careers. As we progress through the actuarial exams and rotate into a variety of roles of one-to-two years in duration, we learn a great deal about the insurance business and the theory and application of actuarial science. During each rotation, much of our time and attention is on understanding the duties of the job and learning how to carry them out effectively. On-the-job and book learning may be supplemented with classroom training in general business competencies such as project management, oral and written communications, business acumen and teamwork.

Learning these foundational skills is time-consuming, and even more so given the compressed time period in which the learning must occur, given the relatively short length of

the typical job rotation. Between performing our job duties and studying for exams, we no doubt have plenty on our plates.

Once we have completed our exams, we can continue to attain greater technical and general business mastery as we gain experience and are called upon to take on larger and/or different areas of responsibilities.

### *Lens #2: Making Connections*

A second lens through which we can view our career development is one focused on bringing a broader perspective to the work we do and the way that we do it. The emphasis shifts from *doing*—which requires task-based skills—to *connecting*, which is about recognizing patterns and building relationships.

Recognizing patterns can be described as the ability to systematize our thought processes, i.e., understanding how our collective experiences relate to one another and connecting them in such a way that we can see the bigger picture. Each project we do and each job position we hold presents us with the opportunity to develop solutions to specific business problems. Over time, we should be able to connect what we have seen and learned in one context to a new set of issues and challenges facing us. While the specific techniques and tools we use may differ, we can look for commonalities and linkages in the types of business challenges that exist and the types of solutions they demand. This is what allows us to think more broadly and strategically, which is a critically important leadership trait.

While recognizing patterns is focused on connecting concepts, building relationships is about connecting with people, which gives us access to the other perspectives that we can then integrate into our own thinking.

Establishing mutually beneficial relationships with a broad network of people is an essential

component of effective leadership. It requires us to listen well, to understand someone else's point of view, and to share and learn from one another. This, in turn, allows us to approach business challenges in a richer, more multi-faceted way. Recognizing the value of having multiple perspectives encourages us to work more effectively with others to identify and implement solutions.

Recognizing patterns and building relationships are abilities that work hand-in-hand to expand and deepen our thinking about potential solutions to complex business problems. Connecting ideas and people is a hallmark of effective leadership.

There are a number of ways we can develop and hone our ability to make connections:

- **Set a goal to leave each position you hold better than the way you found it.** Setting our sights on making improvements in any job we hold forces us to think more broadly and strategically than we might otherwise do if we get overly mired in detailed job tasks. We seek to add value by finding ways to do the work faster, cheaper or more effectively. We may rely on prior job experiences to identify improvements. We might need to supplement our own experience with that of other people, which causes us to reach out and learn from them. We might supplement internal knowledge and perspectives with research on approaches used by other companies in our industry or in other industries. All of these initiatives cause us to be more forward-thinking, which is the orientation of effective leaders.
- **Seek roles that are outside your comfort zone.** One of the ways to experience exponential growth in the way we approach business issues is to take on roles outside the actuarial arena. This may entail serving as the sole actuary in a non-actuarial department, or performing in a non-actuarial capacity altogether for a period of time. It can also



come from participating in special company-wide projects. These types of experiences help us develop in a variety of ways. They put us in situations where we have to explain different concepts to different audiences in ways that they can understand. They expose us to entirely different ways of approaching business problems. Respecting what people with different training and experience bring to the table and appreciating the benefits of approaching business problems from a variety of perspectives help us think in a more holistic, strategic way. And this, in turn, is what allows us to envision new and different ways of approaching opportunities and challenges, which, as discussed previously, is an important aspect of leading.

- **Make networking beyond the actuarial community a priority.** As actuaries, we have ample opportunities to establish a broad network. We can focus on building relationships in each job rotation we hold. We have access to other actuaries outside our own company through our professional organizations. Ideally, our network will

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have a healthy mix of people from within the actuarial profession and outside of it. Looking for opportunities to build relationships through activities outside the workplace is another avenue for broadening our network. Making an effort to meet new people and to get to know them well is the first step. Keeping those relationships active by reaching out and reconnecting periodically is an equally important aspect of cultivating a network.

- **Find mentors.** Another important type of relationship to cultivate in your network is one built around mentoring. Having someone more experienced than yourself offer guidance and advice, provide candid feedback and introduce you to other, more experienced people is invaluable.

When seeking mentors, it is important to cast a wide net. Some companies have formal mentorship programs in place within their actuarial departments. Having a more experienced actuary serve as your mentor can be very useful, especially early in your

career. However, as you move into broader leadership roles, non-actuarial mentors are likely to push you to stretch in different ways.

Since people have different perspectives to offer, you shouldn't necessarily limit yourself to having just one mentor. Some people develop a mentoring relationship with multiple people who they think of as their personal "Board of Directors." They rely on these individuals to act as a sounding board to help them think through options and consider a variety of perspectives as they make decisions.

### ***Lens #3: Understanding Ourselves***

The focus of this lens is on identifying the types of activities we enjoy most, having a realistic sense of our strengths and limitations, and using this self-knowledge to bring the best of who we are to our professional lives.

As we gain experience in the workplace, we are exposed to a variety of tasks, some of which we enjoy and others that we would prefer to avoid. Although we don't necessarily get to pick and choose what we do, it is important to pay attention to those aspects of our work that are truly exciting to us and to understand what it is about them that we find enjoyable. As we navigate our careers, we can evaluate opportunities from this perspective and look for roles that give us ample time to do the kinds of work that we most enjoy.

Recognizing our strengths and weaknesses is important from several perspectives. First, it helps us identify opportunities for personal development. Although we don't necessarily have to turn all weaknesses into strengths, we need to develop a basic level of competence in those areas so that our weaker spots don't become career-killing characteristics. Second, if we are willing to accept our limitations, we can surround ourselves with people who excel in areas where we do not or tap into our network





to find appropriate resources with the necessary skill sets.

Suggestions for ways to develop greater self-understanding are:

- **Identify your motivators, drivers and values.** There are a variety of commercially available assessments and books that help you hone in on the aspects of your work that are most satisfying to you. Although we may be able to identify what we enjoy doing without taking an assessment, these tools give us a vocabulary for describing the nature of these activities and give us a richer understanding of ourselves. Giving a voice to these preferences can help us articulate them to others in an effective way so that we can influence our career progression in a way that best suits us.
- **Seek and embrace regular feedback.** There are a number of feedback mechanisms available to us, and if we want to learn and grow, we should avail ourselves of all of them. First, there is the annual performance evaluation, administered by our boss. Sometimes, smart, hard-working people may view the evaluation as they would a report card, and they strive to get straight A's. This misses the point. While accolades may stroke our egos and help to confirm areas of strength, our real learning and growth comes from feedback around areas for improvement. Rather than assuming your boss doesn't like you if he or she is critical of some aspect of your performance, accept the feedback as a gift and strive to learn from it. Rather than taking offense at any particular piece of advice or critical feedback you receive that feels off-base to you, view it as a data point and look for trends.

Some companies also offer periodic 360° performance feedback, which gives us the

benefit of input from people who see us from all perspectives (e.g., as a boss, as a subordinate, as a peer). These assessments summarize the perceptions of people who work with us in different ways. Whether we agree with those perceptions or not is beside the point. Faced with perceptions we don't like, we have to accept that perceptions are other people's reality, that they can be difficult to change, and to do so requires that we consistently demonstrate behaviors that are counter to those perceptions.

In addition to formal written feedback, we should seek informal feedback regularly, especially in areas where we are committed to making improvements. Asking for feedback from a trusted source after a meeting where you have made a presentation, for example, can provide you with an important learning opportunity.

- **Avail yourself of behavioral assessments.** Beyond feedback focused on performance, it is also beneficial to take advantage of assessments that focus on preferred behaviors and personality traits. These assessments can help us understand our preferred methods of communicating, our natural strengths, our leadership style, emotional intelligence and other aspects of our character makeup. These types of assessments are sometimes used in conjunction with classroom training. They may also be available on request through the company's human resources department. Others are available commercially online. Any one of these assessments contributes to a better understanding of ourselves and offers insights into how we interact with others.
- **Make the most of classroom training.** As technical professionals, we may have a tendency to dismiss "soft skills" as less important to our career development than technical proficiency. As discussed in

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previous articles in this series, this is a serious misperception. In fact, the farther we move up in a company hierarchy, the more important these skills are to our success.

The soft skills training that occurs in a classroom setting tends to have only a short-term effect unless we commit ourselves to actively practicing new behaviors until they become second-nature to us. After taking such a course, it is important to identify just one or two behavior changes that you are committed to making. Back on the job, identify an accountability partner to help ensure you follow through on your commitment to practice these new skills until they are fully engrained in the way you operate.

## BECOME THE CEO OF YOUR OWN CAREER

As we examine our careers through these three lenses, it should be clear that advancing to leadership positions requires more than simply earning actuarial credentials and performing competently in technical and managerial roles. We have access to a wide variety of resources that can support our career growth, but it is ultimately up to us to avail ourselves of those resources and to commit ourselves to the type of transformational learning required of aspiring leaders. ●



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