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Leading for Results

by Meredith Lilley



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My management career started in 2002, and over the years I have been told that, in general, I am a good manager. In the beginning, I believe I succeeded at management due to my average technical skills. Now don't get me wrong, I have solid actuarial training, can run a model, use Excel and even do a little programming. However, I often found that while I was good at these things, some of my employees were better at them. I used this knowledge as a manager to empower my employees to take their own approaches to deliver results. If they ran into issues, I could suggest how I would attack the problem or give them a suggestion to get over an obstacle. Together we would reach the desired result.

After spending most of my career as a pricing actuary, I was persuaded to move into a valuation role. I have to admit that I wasn't excited about it, but thought that it would probably make me a better actuary. I went into it thinking that I'd try it for a couple of years and then go back to pricing. And anyway, this was going to be piece of cake. Don't valuation actuaries just do the same thing month after month? In hindsight, my naïveté was laughable.

My valuation career started off smoothly until a new employee came into my office to tell me that there was a problem with the booked financial results.



He described what seemed to be a small oversight which amounted to what appeared to be an immaterial change. I didn't treat it as a big deal until I had to go to the SOX committee to report the problem. For those of you unexposed to this type of committee, I liken it to a trial. You go there to testify that a problem occurred, why it happened, why it wasn't caught and why it will not happen again. Then you get handed your punishment, which could include more controls, having to improve your analytics or possibly something more serious.

After just one visit to the SOX committee, my attitude about reporting issues changed and I realized that my management style needed to evolve as well. My knee-jerk reaction was to become a micromanager. I had been relying on my actuarial judgment to determine if a result was reasonable, but that method was not capable of stopping all errors. It was infeasible and irrational for me to continue down this path very long. I had managers and their staff to depend on, and somehow I needed to continue to rely on their abilities, yet achieve different results.

In the end I decided not to change my management style, but instead my leadership style. I was encouraging productivity just as I had in my pricing days, but I was not equally encouraging peer review and oversight. In my previous role it was sufficient to rely on one person to produce the results and another person to oversee the work. Now I realized that peer review needed to play a much larger role in the production work. My employees were responding to my attitude to deliver results. I praised my team for achieving our deliverables; now I needed to praise them for achieving deliverables and for peer reviewing deliverables. Mistakes would be made, but my intent was to motivate my team to have the right process in place to ensure that they didn't go beyond the peer review process.

I would like to say that the adjustment in my leadership style has kept me from returning to the SOX committee, but unfortunately that is not true. Mistakes do happen and every once in a while they

are not caught prior to booking financial results. I believe these occurrences are less frequent than they would have been if I had not altered my style. As a manager, I am still not pleased to testify to the SOX committee, yet I am confident that my team members have performed to the best of their ability and am happy to defend the quality of their work when necessary, as I am sure that they have done all that they could to perform to the best of their abilities.

My advice to managers and future managers from this experience is simple, but sometimes difficult to do. Your employees will follow the example or priorities you set out for them. Make sure that you recognize what you are portraying and adapt as needed to the job at hand. ●

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