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The Competency Framework: Design Your Future

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Editor's note: This is the first article in a series of three covering the Society of Actuaries (SOA) Competency Framework. The subsequent articles will appear in future issues of the Actuary of the Future newsletter.

The Society of Actuaries (SOA) Competency Framework is a powerful tool to enable you to design your future. Though it has been the SOA's instrument for prioritizing continuing education and support to members since 2010, many actuaries are still not fully aware what a potent tool it can be to them in planning their personal careers.

To raise that awareness, and to inspire you to take action, the authors will provide answers in this series of articles to the following questions:

1. What is the Competency Framework?
2. Why did the SOA design the Competency Framework?
3. Where are actuaries today?
4. Where will you be in five years?
5. How do you gear up for designing your future?
6. How do you create a personal development plan?
7. How will the Competency Framework help your future?

WHAT IS THE COMPETENCY FRAMEWORK?

Simply stated, a *competency* is a demonstrable ability (the synthesis of skills, knowledge and behaviors) that contributes to an essential outcome (product or service) that defines an individual as qualified.

The Competency Framework is a meaningful model of competencies that may be organized by content, role, position or a combination thereof and may be used for a variety of purposes and processes. It is the synthesis of these skills, knowledge, behaviors, attitudes and attributes that contribute to outstanding job performance.

The SOA's Competency Framework is a tool to help actuaries make decisions related to their individual professional development and career management plans. It applies systematic, sound approaches to selecting professional development opportunities,

focusing on the skills needed to go beyond technical and specific actuarial analysis.

The Competency Framework was introduced to focus and prioritize continuing education and support to members. The Personal Development Plan (PDP) answers the constant question, "What should I be doing next?"

The eight competencies in the Competency Framework are shown in Table 1.

Table 1
SOA Competency Framework

Competency	Legend	Definition
Communication	C	Demonstrating the listening, writing and speaking skills required to effectively address diverse technical and nontechnical audiences in both formal and informal settings
Professional values	P	Adhering to standards of professional conduct and practice, where all business interactions are based on a foundation of integrity, honesty and impartiality
External forces & industry knowledge	EF	Identifying and incorporating the implications of economic, social, regulatory, geopolitical and business changes into the design and delivery of actuarial solutions
Leadership	L	Initiating, innovating, inspiring, creating or otherwise acting to influence others, regardless of level or role, toward a common goal
Relationship management & interpersonal collaboration	RM	Creating mutually beneficial relationships and work processes toward a common goal
Technical skills & analytical problem-solving	TS	Applying the actuarial knowledge, skills and judgment required to provide value-added services
Strategic insight & integration	SI	Anticipating trends and strategically aligning actuarial practices with broader organizational business goals
Results-oriented solutions	RO	Providing effective problem-solving that addresses relevant interests and needs

WHY DID THE SOA DESIGN THE COMPETENCY FRAMEWORK?

The Competency Framework provides strategic benefits:

- Integrate education and career development
- Focus and prioritize continuing education and support to members
- Provide a foundation for professional development

WHERE ARE ACTUARIES TODAY?

The Competency Framework was introduced to members in 2010. The Self-Assessment Tool of 100 items was drawn from a sample of statements provided by more than 3,000 actuaries across various areas of practice, answering the question, “What skills do actuaries need?” Statements were collected and distilled into 100 items by area of practice and then generalized for all areas of practice.¹

According to Steve Eadie, Dale Hall and Judy Powills, who helped develop the SOA Competency Framework, the central premise of the Competency Framework is:

In addition to technical skills and an understanding of the external forces that affect an actuary’s work, nontechnical skills are central to the actuary’s success as a well-rounded business professional and advisor. It is clear that actuaries will benefit from continuous learning and development in various areas of competency to ensure that they are able to respond to a rapidly changing environment. Their employers demand it. Their clients demand it. Ultimately, the public demands it.

The SOA Competency Framework Personal Planning Workbook complements the Self-Assessment Tool. Using the spreadsheet-based planner is an easy way to organize, design and track your professional development. The planning workbook is updated annually to include references to sessions, organized by competency, from the SOA’s flagship meetings—Life and Annuity Symposium, Health Meeting, Valuation Actuary Symposium and SOA Annual Meeting & Exhibit.

The greatest performance gaps continue to be in the areas of communication, relationship management and interpersonal collaboration, strategic insight and integration, leadership, and results-oriented solutions.

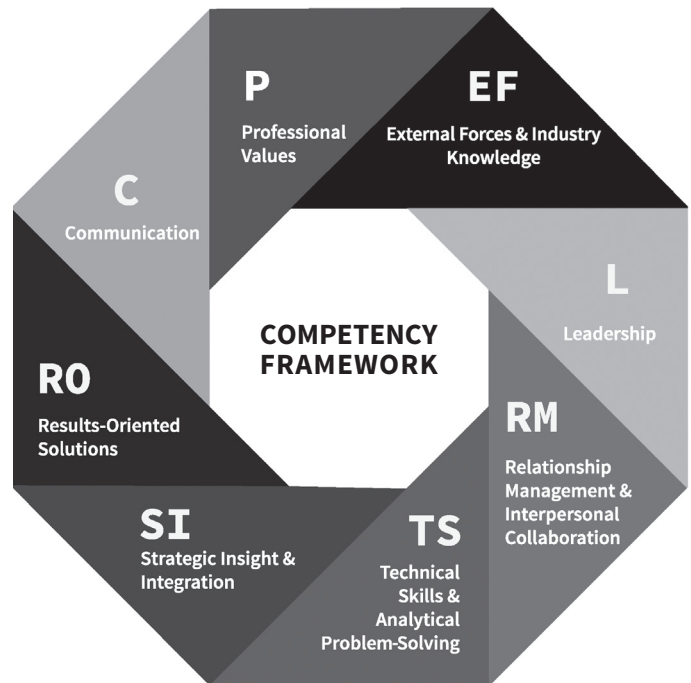
One may contend that today’s actuaries are much better communicators and collaborators than those of a generation ago. Certainly, presenters at actuarial meetings are far more engaging and polished than their predecessors. The many meeting management tools and the technology triumphs of recent years have lifted all boats as well. Every speaker has benefited.

Many new ASAs and FSAs have focused heavily on building technical skills and passing examinations and now need to switch their focus to the soft skills (i.e., communication and the other interpersonal competencies). A consultant friend who specializes in Excel systems and building models observes that many in-the-trenches actuaries with whom he works can build terrific models, yet they lack interpersonal versatility.

The pipeline of new associates and fellows will do well to make the Competency Framework their second religion over the coming decade. (Our recommendation is not to be construed as spiritual guidance.)

The branding for the Competency Framework has changed in parallel with the SOA’s recent branding update. The new image, as seen in Figure 1, is an octagon of the eight competencies. As shown at <http://cfat.soa.org>, the full display invites you to take the self-assessment and design your future.

Figure 1
The Competency Framework



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"In addition to technical skills and an understanding of the external forces that affect an actuary's work, nontechnical skills are central to the actuary's success as a well-rounded business professional and advisor."

WHERE WILL YOU BE IN FIVE YEARS?

Think about where you want to be in five years. Do you want to be an individual contributor, a manager, director or vice president of a department, a C-level executive, or retired and living off your travels and Tai Chi practice?

"We must remember that casting a critical eye on our weaknesses and working hard to manage them, while sometimes necessary, will only help us prevent failure. It will not help us reach excellence . . . you will reach excellence only by understanding and cultivating your strengths."

—Marcus Buckingham, *Now Discover Your Strengths*

Here are five questions that can give purpose and direction in your career planning:

- **Who are you?** What is the one thing you know better than anyone else? What one thing do you do best?
- **Where are you needed?** Think in terms of where you are needed rather than where you want to be or what kind of money you want to make. It's not what you want but where you are needed—specifically you, with your gifts.
- **Who will you serve?** Who specifically will benefit from the service you provide?
- **What specifically do they need?** How do those you serve change or transform as a result of what you do for them?

- **What is your call to action?** Looking five years into the future, think about how you might finish this statement: "To be valued for my professionalism, technical expertise and business acumen, I will have developed skills that include . . ." ²

As you assemble your personal development plan entries, concentrate on the following:

- Identify the skills you gravitate toward.
- Focus on fixing your weaknesses.
- Determine what you do well, where you find joy and what you want to focus on.
- Be happy at what you do best.
- Do not ignore critical skills.

In our next installment, we will discuss how to gear up for the design of your future. In the interim, the authors welcome your feedback. Our goal is to have this series address your questions and needs and to help all actuaries of the future design a future they will find meaningful and rewarding. ■



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ENDNOTES

- 1 For a full discussion of how the Competency Framework was developed, see Steve Eadie, Dale Hall and Judy Powills, "Road to Success," *The Actuary* 6, no. 3 (June/July 2009), <http://www.soa.org/library/newsletters/the-actuary-magazine/2009/june/act-2009-vol6-iss3-eadie.aspx>.
- 2 Joe Jones, founder and program director at Transition Masters in Tampa, Fla. <https://www.linkedin.com/in/joehhones>