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PEOPLE MANAGEMENT

Managing: It's Your Ship

By Joy McDonald

A little more than a year ago I had the privilege of participating in a group discussion of Capt. D. Michael Abrashoff's book, *It's Your Ship: Management Techniques from the Best Damn Ship in the Navy*. I heard the author speak at a Society of Actuaries meeting, and I was looking forward to hearing what my co-workers thought of his approach to management. Would there be lively debate? How could we apply principles of running a Navy ship to our small division in corporate America? As it turned out, many of the ideas were applicable to our division and are helping us along in our effort to become "the Best Damn Division in the Company."

We are a small support division of about 30 colleagues providing actuarial, compliance and product management expertise to the company. We were already on a path of improving both our internal culture and our value to our customers inside the company, and the book discussion group was one more step on our journey. It was led by our division's president, Alex Bagby, ASA.

Participation was voluntary, and our group met over lunch. We usually read and discussed one or two chapters each week. Participants included new colleagues who had been with the company only a few months and tenured colleagues with 25 or more years at the company. Some were supervisors, while others were in non-supervisory roles.

Abrashoff's approach to running a ship is bottom-up. In the very first chapter, "Take Command," he states, "... there is always a better way to do things, and ... the crew's insights might be more profound than even the captain's."

Alex took this to heart right away in the way he led the discussions. Although he developed detailed summaries of each chapter, he started

every meeting by going around the room asking everyone else what they thought.

After the first few weeks, Alex began asking for volunteers to lead some of the discussions. I volunteered to lead a discussion one week and carefully prepared. Unfortunately I made a mistake on my calendar and missed the meeting with no explanation. I felt terrible, but Alex asked if I would like to lead the discussion the next week. I asked if he was sure he could trust me; the next chapter was titled "Creating a Climate of Trust." I appreciated Alex's quick forgiveness of my screw-up, and I take seriously his trust in me. Abrashoff says, "You earn trust by giving it," and I learned that lesson firsthand.

As we continued to work through the book, Alex began formulating an idea that he shared with our group as it came to a close. He would put together an "advisory committee" of non-supervising colleagues to tackle some of the cultural issues that might keep us from being the best we could be. Alex presented this idea to the division and asked for volunteers from each team. Within a week, several people had volunteered to serve on this team. One of the volunteers was fresh out of college and had been with the company only four months. He was excited to work directly with our division president at such an early time in his career.

This committee does exactly what Abrashoff discussed in his very first chapter. It gives our "crew" a chance to provide direct feedback about what works and what doesn't. This feedback goes directly to our "captain." It also gives these young colleagues a chance to come up with "repairs" that can affect the well-being of the entire organization.

Over the last year, this committee has focused on issues such as fairness, respect, pride and camaraderie. In each area they dis-



cuss what we do well and where we need improvement. They interview other colleagues and supervisors outside the committee. They have made recommendations for improvements that have been vetted through our division management team and implemented. And they have set in motion a system that can continue for years to come.

One finding was a critical deficit in certain product knowledge. This was easily corrected by holding classes taught by the division's expert in that product. The classes were well attended and provided useful information. Incidentally, this knowledge deficit might not have been discovered by interviewing managers. The "crew" had a unique perspective that brought this issue to the forefront.

Another recommendation was to develop written expectations for every job in the division. This goes beyond job descriptions, which we already had. It even goes beyond annual performance reviews, since those tend to focus on past performance and not what is expected going forward.

Abrashoff discusses the fact that the purpose of his vessel, the USS Benfold, was to be combat ready. They had to be ready to take out moving targets and they had to prove their readiness in training exercises. In order to do this they had to learn about the behavior of their targets and they had to practice.

Our written expectations are designed to give every colleague a clear understanding of his or her target. Regular communica-

tion about how these expectations apply to a given work project are akin to Benfold's rehearsals of their training exercises. When critical tasks come our way, our crew will be ready to meet those demands head-on.

This advisory committee is already looking to the future and to the long-term success of our division. Its goals include continuing to develop an environment of trust, as well as keeping the door of communication open at all levels. In order to be successful, every colleague on every team will need to focus on the same goals. To that end, our department managers are meeting with each colleague one-on-one in the next few weeks to solicit feedback on how we can continually improve our processes, results and culture.

The morale of the division is very high even amid the intense pressure and tight deadlines that we all face in our industry. I believe this is a direct result of our leadership continually communicating in word and action that they are willing to listen to any and all ideas for improvement. It's our ship. ■



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