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Coaching for Actuaries—Is It the Right Model for You?

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Coaching has evolved in the workplace because of a need that was not being met. It began when people and businesses began questioning how they were doing things and why they always produced the same (non-optimal) results. Until now, much of your training has prepared you to be a good actuarial technician with strong business acumen, which will go a long way toward securing a good job. Coaching can further enhance your work experience—immediately and in the long term—so that you can enjoy an excellent and highly rewarding career, using your own definition of success as the standard.

COACHING MODEL DESCRIPTION

In some ways, coaching can be compared, albeit loosely, to an actuarial model. There is some effort that is invested in the relationship (input), which leads directly to results (output). Along the way, assumptions must be revisited and the model continually tested and validated. One component that is always difficult to model is human behavior. Since the effectiveness of a coaching relationship is highly dependent on the engagement of the individual being coached, only you can determine if it is right for you at this time in your career.

Coaching is a formal and structured relationship in which one individual (the coach) helps another individual (the client) determine what success looks like for the client, and then works with him or her to achieve it. It has proven to be a catalytic relationship in helping people progress toward their goals. The author of *The Mindful Coach*, Douglas Silsbee, defines coaching simply as “that part of a relationship in which one person is primarily dedicated to serving the long-term development of effectiveness and self-generation of another.” This definition highlights the essence of the relationship. The partnership is deemed successful if, and only if, the client gets what he or she needs, which is not the case with all business transactions.

Depending on a client’s specific needs, deliverables such as the following may be part of the agreement:

- Develop a mission and vision, and then align goals accordingly;
- Set better goals and plans to reach them faster;
- Enhance leadership abilities;
- Become aware of limiting patterns of thinking and mitigate them;
- Develop and enhance relationships in work and personal life;
- Improve time management;
- Become better equipped to manage multiple and competing priorities;
- Improve the ability to manage change and deal with uncertainty;
- Develop a presence in the boardroom;
- Learn to strategize and prioritize;
- Identify gaps in performance for the client’s current role, or a future role with increasing responsibility, and make changes to close the gaps.



Finally, to describe the coaching model it may be helpful to clarify what it is not.

Coaching is not mentoring—Mentoring is an informal relationship between an individual and, typically, someone more senior who has some qualities and/or experience that the individual wishes to emulate. Often the two people involved work for the same company and there may be an internal mentoring program as part of an overall succession plan.

Coaching is not consulting—My business involves both coaching and consulting. When people hire me for the latter, they are expecting that I will bring my expertise to the table in the form of recommendations or information they can use to help run an aspect of their business more effectively. I would not be fulfilling my role as a consultant if I did not provide them with clear and direct advice on a specific topic. In a coaching relationship, it is understood from the beginning that the client has the answers within. The coach partners with the client to help draw those answers out using various communication and assessment tools.

Coaching is not managing—You often hear about leadership courses that teach managers how to use a “coaching approach” with their staff. This makes a lot of sense because there are coaching skills that can be very helpful on the job—listening, acknowledging, questioning, messaging and goal-setting, to name a few. However, a manager cannot replace the role of the coach. In a coaching relationship, the agenda is 100 percent owned by the client. In a corporate setting, managers are responsible for ensuring that their teams deliver on objectives, and therefore the boss’s accountabilities trump those of the employee in terms of priority. Furthermore, it may be easier to be open and honest with an external coach, whose only role in the relationship is to help you achieve your own goals.

Coaching is not therapy—When you enter into a coaching agreement, you and your coach will formally agree that in no way is a coach trained

to help you through certain issues that require specialized therapy. Coaches deal with the present, while some therapists may help you to uncover and resolve issues related to your past. Other professionals are more equipped to help individuals with any form of mental illness. Professional coaches work with individuals who are generally healthy and are ready, willing and able to improve the quality of their work life.

ASSUMPTIONS

Our actuarial training has taught us the assumptions underlying actuarial models and calculations must be valid in order to produce useful results. Without this critical component, reliance on the model’s output may lead to inappropriate and sometimes even disastrous results.

Similarly, this document has been written with the assumption that you, the reader, can be characterized by at least one of the following statements. You:

- Are interested in maximizing your effectiveness in your current role and/or successfully assuming roles with increasing responsibilities;
- Have other interests beyond work and desire a good balance between all significant areas of your life;
- Are currently preparing for a career transition and are slightly apprehensive about the change;
- Are working independently and require a partner with whom you could discuss strategy and decisions in strict confidence;
- Feel overwhelmed with having to do more with less resources while managing significant change initiatives;
- Have a need to hone your leadership skills;
- Have recently undergone an assessment that has identified gaps in your skill set and you wish to bridge them as quickly as possible; and/or

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Your coach must commit to being fully present with you and provide you with whatever tools and assessments you need to achieve your goals.

- Want to understand what a successful career looks like for you, and have a desire to proactively make it happen.

INPUT—WHAT GOES INTO THE COACHING MODEL

So far, coaching has been described as nothing but positive for the client. Does it sound too good to be true? It may not be, but here is the kicker. You, as the client, have to do the bulk of the work. Of course your coach also has key responsibilities. Your coach must commit to being fully present with you and provide you with whatever tools and assessments you need to achieve your goals. Your coach will help you manage your progress and hold you accountable for your own success.

As for your role, in order to be a coachable client you must be willing to develop yourself with specific intent. Quite often, this involves leading off with a goal-setting exercise. Together, you and your coach will break your goals down into specific action plans and you will determine the time frame to complete the plans. Your coach will help you identify potential obstacles and proactively create strategies to break through those barriers.

Your coach has no authority to punish, reprimand, or give you a bad review if you continually fail to do what you agree to do. Therefore, you will need to have the internal motivation to do the work in between the sessions if you are going to make the shifts you want. The very fact that you are in this profession suggests you have some initiative, which will go a long way toward your ability to be a good coaching candidate.

Submitting to and reviewing the results from a leadership review or other type of assessment is another effective segue into coaching. If you have not recently undergone such an exercise, your coach can provide one that is relevant to your needs. The assessment should provide feedback not only on your areas of strength, but also gaps in your skill set that may impede your success in your current and future roles. With this input, you and your coach can develop and work through strategies together to bridge those gaps.

In an ideal world, you and your coach will adhere to the schedule that you set in your initial meeting.

However, unrelated issues will inevitably arise in the workplace. As the client, recall that you own the agenda for each coaching session. This means that you will have an opportunity to bring any issues to the table at that time, which allows you to develop in the best possible environment: right on the job. Who else will give you that degree of control at every meeting? In working through real-time issues, you will not only be more effective on the job immediately, but you will also be enhancing those elusive “soft” skills, including communication, leadership and strategizing, that are key for your long-term development.

RETURNS GENERATED FROM THE COACHING MODEL

Much has been written about the benefits of coaching for professionals. What is consistent in all of the research is that companies are increasingly realizing the value coaching yields in enhancing employee engagement and ultimately the bottom line. Never has this been more critical as organizations are required to do more with less.

So how might you or your organization benefit from coaching? As actuaries, we like to base our evaluations on numbers. A few examples of quantitative measures used to report coaching effectiveness are as follows:

- Studies on coaching report a return on investment of five to seven times the initial investment.¹
- A large employer in the hospital industry saved \$30 million to \$60 million by coaching its top 200 executives. One coaching firm reported that it saved its clients \$100,000 by retaining two key executives, improved efficiency for account managers, and improved sales by more than \$250,000.²
- Xerox Corporation found that using follow-up coaching after formal training gave a massive 87 percent increase in the effectiveness of training when compared to training alone. The International Personal Management Association found training alone improved performance by 22 percent and when combined with coaching, performance after training increased by 88 percent.³

There are many more examples of intangible benefits documented. The following is a subset of some commonly stated benefits of coaching:

- Enhance thinking and decision-making skills
- Enhance interpersonal effectiveness
- Increase confidence
- Improve communication skills
- Deal with conflict
- Manage change
- Increase staff retention and engagement
- Improve teamwork
- Meet client needs better
- Reduce costs; increase productivity
- Improve performance
- Use employee talents more fully
- Demonstrate commitment to employee development
- Facilitate adoption of new culture
- Increase training effectiveness
- Less stress leave
- Increase capacity
- Improve leadership skills.

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In the next edition of *The Stepping Stone*, I'll go into more depth in how to apply the coaching model, including real-life case studies. ●

ENDNOTES

- ¹ Manchester Inc., "Executive Coaching Yields Return on Investment of Almost Six Times Its Costs." Available: http://www.blueprintgroup.ca/documents/ManchesterInc_ROI.pdf MerrixGlobal. "Executive Briefing: Case Study on the Return Investment of Executive Coaching." Available: <http://www.empowermenttoolbox.com/MerrixSurvey.html>.
- ² Talkington, A., L. Voss, and P. Wise. 2002, November. "The Case for Executive Coaching" *Chemistry Business* magazine. Available: <http://www.reiningleadership.com/thecase.pdf>.
- ³ College of Executive Coaching, "The Benefits of Business Coaching." Available: <http://www.executivecoachcollege.com/research-and-publications/benefits-of-business-coaching.php>.

FURTHER READING

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