

The Stepping Stone

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**LEADERSHIP &
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SECTION**



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Kelly Hennigan,
Chairperson
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Secretary/Treasurer

Council Members

Anne Katcher
Carrie Kelley
Joanne Ryan
Jamie Shallow
Tamra VanAllen
Mary Wagnon

Newsletter Editor

John West Hadley,
John Hadley Associates
8 Lori Drive
Somerville, NJ 08876-2517
ph: 908.725.2437
email: John@JHACareers.com

Content Managers

Scott Randles
2016 Valuation Actuary Symposium
Coordinator

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Board Partner

John Robinson

SOA Staff

Julia Anderson Bauer,
Publications Manager
jandersonbauer@soa.org

Beth Bernardi,
Staff Partner,
bbernardi@soa.org

Jane Lesch,
Section Specialist
jlesch@soa.org

Erin Pierce,
Graphic Designer
epierce@soa.org

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CHAIRPERSON'S CORNER

Focus on Diversity

By Kelly Hennigan

Welcome to the May 2016 issue of *The Stepping Stone*! As always, you will find insightful articles on leadership, personal and career development, people and business management, and our popular “What Would You Do?” series. In this issue we also include a diversity article, written by John W. Robinson, the Society of Actuaries (SOA) Board Partner to the Leadership & Development (L&D) Section Council. We look forward to the start of a new Diversity Corner addition to our newsletter.

John also serves as a member of the SOA's Inclusion & Diversity Committee (IDC). Their purpose is to determine investments the SOA can make, or programs it can undertake, to achieve the greatest impact on inclusion and diversity in the actuarial profession, long term and short term. Impact can include, but is not limited to, the number of diverse candidates and members and increased number and effectiveness of equal opportunities for advancement and leadership.

The SOA, the actuarial profession, employers and universities are best served when they are inclusive of all individuals and diverse. The future of the profession, in the United States and globally, depends in part on the actuarial profession overcoming barriers to entry and advancement for candidates from demographically underrepresented groups.

Diversity is present in our everyday lives. For example, at the gym the other morning I noticed a diverse approach to working out—some on the treadmills, others on the weight machines, and a few referencing their smartphones in an attempt to follow through with their apps' workout of the day. Also, as I learned upon attending the SOA's semi-annual Council of Chairs meeting in Chicago in November, there are diverse approaches to leadership.

There I had the pleasure of both meeting and participating in a session led by J. Keith Murnighan, the Harold H. Hines Jr. Distinguished Professor of Risk Management at the Kellogg School of Management, Northwestern University. Professor Murnighan is the author of the book *Do Nothing!* and promotes a synonymous leadership approach.

My initial reaction prior to hearing him speak was honestly one of disbelief—the notion of leading via doing *nothing at all* truly sounded ludicrous. Was the “Do Nothing” leadership



philosophy purely a catchphrase to promote book sales? While it may be the case that the “Do Nothing” title does appeal to light-hearted readers, the mantra of “Do Nothing” is directed toward serious-minded leaders!

So, upon my return home from Chicago, I immediately went to the library and checked out his book. (And yes, I am one of those people who prefers actual books so that I can turn the pages rather than read from a tablet.) Included in this issue is the first of a three-part series focused on the diverse approach to leadership presented by Murnighan.

Thank you for your continued interest in *The Stepping Stone* and the L&D Section. Please do not hesitate to reach out to any of our section members with any suggestions you might have for future issues, or contact *The Stepping Stone* directly at SteppingStone@JHACareers.com. ■



Kelly Hennigan, FSA, CFA, is chairperson of the Leadership & Development Section Council. She can be reached at kellymhennigan@aol.com.

Leadership Inspiration: Dream Big

By Carlos Arocha

Editor's Note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be a better actuarial leader. Here is an entry from the "Defining Moment/Event" category.

It occurred to me while traveling by train from the Swiss town of Yverdon-Les-Bains to Zurich, where I am currently based. I was returning from a board meeting of a consortium that four colleagues and I founded a few months prior.



In my train commute I realized it all had started with volunteer work.

It all started at an actuarial conference in early 2014 in Africa, where I met some actuaries from Ghana who were planning to attend the Society of Actuaries (SOA) Annual Meeting & Exhibit in Orlando. Their leader asked me for a time slot to meet. I had been volunteering with the SOA for a few years (and still am), and through some connections, they thought I could somehow contribute to the advancement of the profession in their home country.

Later on, the leader of the group learned that we both lived in Switzerland, albeit in different cities. One thing led to another, and we started to discuss the creation of a project. We invited three other people, and we worked out the details. We formalized the project and established a board of directors. I had the privilege of being appointed chairman.

The consortium's mission is to deliver unique, Web-based educational platforms and services for knowledge transfer, education and capacity building to public and private insurance large-scale projects. This is admittedly a big dream, but we have taken the first step. In my train commute I realized it all had started with volunteer work: helping African folks to develop their profession; hosting them at the SOA Annual Meeting & Exhibit, including an invitation to speak about their situation and needs at the International Section Reception; and then moving forward with the ambitious plan of building capacity for insurance projects in less economically developed countries.

I earned the chair of the board without even asking for it. I committed to excellence and in the process I was able to develop my unique talents and abilities. I found the appointment inspiring because it made me reflect about traits that help actuaries to progress in their careers: dreaming big, dedicating oneself to life-long learning, becoming an unshakeable optimist, serving others, and learning as many details as possible about our industry.

It all occurred to me while traveling by train. ■



Carlos Arocha, FSA, is managing director of Arocha & Associates in Zurich, Switzerland, and secretary/treasurer of the Leadership & Development Section Council. He can be reached at ca@arochaandassociates.ch.

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WHAT WOULD YOU DO? To Consult or Not to Consult

By John West Hadley

Here is lucky 13 in the “*What Would You Do?*” series.¹ Write to me at SteppingStone@JHACareers.com to tell me what you would do. In the August issue, I’ll compile the responses received (preserving your anonymity, of course), along with what actually happened in the real-life situation.

Help me craft future case studies. Write to me about your own challenging, surprising or nightmarish situations involving business, leadership, management, or any of the topic areas covered by *The Stepping Stone*, and what lessons you learned from them. I’ll collaborate with you on turning your situation into a simple case study, being careful to ensure no one is identifiable. And share your own thoughts (pro and con) on the series as a whole at SteppingStone@JHACareers.com.



TO CONSULT OR NOT TO CONSULT

West headed up an actuarial operation, but realized that his heart was no longer in it. His company went through a merger, and this was his chance to try something new. He had always loved the many large systems projects with which he had been involved or led, so he took his severance package and decided to strike out in a new career direction.

West had always seen himself as a corporate guy, very comfortable working in teams and enjoying the security of an “employer.” He briefly considered starting a consulting practice, but found the idea of needing to market himself to survive intimidating.

After searching for a number of months, a large insurer offered West a financially lucrative consulting assignment doing exactly the sort of systems work he loved to do. The chief actuary offered him a guaranteed two-month assignment, and told him there was a possibility of a six-month renewal after that.

Three weeks into the assignment, an old friend offered him a corporate role at a large reinsurer. Financially it was equivalent to the consulting assignment, after taking benefits, etc., into account. The role was still systems-oriented, but more “traditional” and less interesting to West than the consulting work. And to his surprise, he found that:

- In the consulting role, he felt like a weight had lifted from his shoulders that he never realized had been there, and
- His mindset around self-marketing had taken a 180-degree turn and no longer seemed like something to fear.

Still, he had kids who would be going to college in a few years, and the corporate role did offer stability...

What would you do? ■



John Hadley is a career counselor who works with job seekers frustrated with their search and with professionals struggling to increase visibility and influence. Reach him at John@JHACareers.com or 908.725.2437. Find *Career Tips* and other free resources at www.JHACareers.com.

ENDNOTE

- ¹ Past issues in the series have considered whether to demote or fire a difficult employee, performance reviews and their aftermath, interview challenges from both sides of the desk, evaluating job offers, a difficult product decision, how to build connections with the home office, and career decisions. To catch up on the entire series, which started in May 2013, check out back issues of *The Stepping Stone* on the Leadership & Development Section website at www.soa.org/ld.

WHAT WOULD YOU DO?

Responses to “Changing Horses”

By John West Hadley

In the February issue of *The Stepping Stone*, I posed the question “*What would you do?*” to the career situation below. Here are selected responses and excerpts, edited for space and clarity, followed by the real-life conclusion. Send your own ideas for situations to pose in upcoming issues to SteppingStone@JHACareers.com.

CHANGING HORSES?

After many years at one company, Jim finds himself working for a much younger actuary who seems not to respect his contributions. After one too many run-ins, he decides to take early retirement and seek a new role elsewhere.

Jim has a number of good networking meetings, including one with Louis, the chief actuary of a large, local company of great interest to him. They hit it off, but there is no current opening.

He receives an offer from a strong insurer in another city, but the job level isn't quite what he wants, and he discusses that with his prospective boss. She is sympathetic, but there is no room for negotiation. He respects her for being open to the conversation, and also upfront with him about the possibilities. Everything else about the job is exactly what he wants, so he accepts. Relocation is included, and the process will start in a week.

A few days later, Jim receives a call from Louis, indicating that his valuation actuary has just turned in his resignation, and they both agree that Jim is the person they want to fill the role. Jim

is worried that entertaining such an offer will burn bridges with the other company and prospective boss, perhaps damaging his professional reputation.

WHAT WOULD YOU DO?

Many thanks to the 18 respondents to this case study! Three actually had been through this situation, and came at responses from different perspectives.

Two felt they had made a commitment, and didn't even consider the new offer. (Although one said that looking back now, he might consider it.) The third gave this explanation:

I had left my current job and interviewed with two companies in different cities. For personal reasons I preferred city X, but when an internal candidate took the job, I accepted the position in city Y. The next day the first company called to say the job was mine if I still wanted it. I knew this was a tough call, but considering everything personally and professionally, I took it. I then had the painful task of letting the other company know I wasn't going to take their offer after all. It was not an easy decision, but it worked out as I met my wife of 18 years in city X.

You need to follow what is going to make you happy both personally and professionally, as the two are interdependent.

A few respondents felt that a commitment had been made, and therefore the new possible offer shouldn't even be considered. This sentiment was captured concisely in these two responses:

The future is uncertain. The accepted position might turn out to be unexpectedly pleasant and, if not, Jim can always then search for a more suitable one. In any kind of business, credibility and reputation have to come first.

A better offer came from my preferred company after I had reached agreement in principle to accept a job with a different



company. I said to the chief actuary of the preferred company that if I would accept his offer, it would prove that I wasn't the type of person he would want working for him anyway. So if I were Louis and found out that Jim was willing to renege on an acceptance with that first company, I would withdraw the offer immediately. Jim would be trading his integrity for a job opportunity.

However, most respondents felt Jim should definitely consider the new possibility. And several thought that was also best for the company whose offer Jim might now be turning down:

Taking a role that your heart isn't in won't be a win for either side. It is simple—Jim needs to change horses. Taking the job that isn't his preference just to follow through on a commitment sounds great in the short term, but longer term he is not going to be happy. His new boss won't be either after making a full investment in him, should he leave at that point.

Yes, Jim will irritate the other boss if he accepts Louis' offer, but he already told her that the position is less than he wants, so she should be happy that she has cut her losses and did not take on an employee who would be starting out unhappy. (He would definitely be unhappy because he could have had the level of responsibility he wanted.)

Since Jim was upfront with his prospective boss about the job not being quite at the level he was seeking, and nothing is underway with relocation or the new job yet, it makes sense for Jim to have a conversation with his prospective boss about the offer from Louis. If the valuation actuary role is one that Jim would prefer, and is a better fit for his skill level, then it probably would be best for all parties in the long run for Jim to go that route.

While several were concerned about impairing Jim's professional reputation, most didn't see that as a major issue:

I would call the new boss and thank her for the offer and opportunity, but explain that something came up in the local area that I was going to go with instead. People tend to be understanding, and I think an honest, transparent conversation would not damage one's professional reputation.

It would be better to explore this new opportunity now, rather than three months into a new position in a new city. Since the job is not at the level Jim wants, the new boss would appreciate his honesty if he decides to recant his acceptance.

I know the situation from the opposite angle: Looking for a candidate to fill an open position, one of the selected persons for the interview called to say he accepted a job with another company. This is part of the process, like competition between companies

about products and services, and a clear communication about it should have no damaging consequences.

After Jim has a firm offer, he should contact his prospective boss and be completely honest about the new opportunity. She knows the role and location weren't a perfect fit. She likely will be disappointed to not fill her role, but little is lost other than time. I don't see this as damaging to Jim's professional reputation as long as he is upfront with all parties. As a hiring manager, I'd rather have a candidate be honest and withdraw prior to the start date than have an unhappy or ill-suited short-term employee.

And I found this a concise and insightful analysis of how Jim should analyze the situation:

I would first take time to reflect on what I really wanted and what is important to me based on where I am in my career, how it would affect my loved ones and other relationships, my present and future goals/desires, and how it would impact my quality of life. Once I am clear on what would be best for me and my loved ones, I would make that decision.

I would thank the company for whom I choose not to work and explain my reasons. Their reaction is their reaction and I can't control it. I have to do what is best for me. Doing anything out of obligation, guilt or fear is never a good thing. As someone who hires people routinely, I would rather the person be honest upfront, than for me to invest the time training the person, only to find out he/she is unhappy because it was the wrong decision.

WHAT REALLY HAPPENED?

Jim told Louis that he could not in good conscience consider an offer after the end of the week, since the new company would then be starting the relocation process. Louis told him that would not be a problem; if Jim came in Friday, he would leave with an offer.

Louis lived up to his word, and on Friday Jim received an offer substantially higher than the one he had already accepted, and at exactly the level he was seeking. He called the actuary who would have been his new boss to explain what had happened. She expressed regret at losing him, but was very understanding.

Jim's job worked out exactly as he hoped. He loved his role, and within a short time was considered a high performer at his new company. ■



John Hadley is a career counselor who works with job seekers frustrated with their search and with professionals struggling to increase visibility and influence. Reach him at John@JHACareers.com or 908.725.2437. Find *Career Tips* and other free resources at www.JHACareers.com.

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BUSINESS MANAGEMENT

How Great Leaders Develop People

By Marcel Schwantes

Editor's Note: In the November 2015 and February 2016 editions of The Stepping Stone,¹ executive coach Marcel Schwantes outlined how great leaders display authenticity and value people—two of the foundations of effective servant leadership. Here Schwantes returns for Part 3 of a six-part series that delves into the best practices of how a servant leader values people.

As we build on the ideas presented in this series, we focus on the third thing that great leaders do differently: They develop people.

There are three exceptional ways that great leaders go about doing this.

THEY PROVIDE OPPORTUNITIES FOR LEARNING AND GROWTH

What you'll find in most healthy organizations is a high commitment to growing their employees. If you happen to work in such an environment, you'll probably notice a strong bond between top leadership and training and human resources functions working together to:

- Identify their employees' gifts, talents and strengths for the best job fit so that they can reach their potential.
- Champion a "learning spirit" within the organization, sending a clear message that "growing our people is one of our highest priorities."

Employees who responded more positively to these questions worked in business units with higher levels of productivity, retention and customer satisfaction.

- Give meaning and purpose to the employees' work, adding further motivation.
- Provide ongoing training, coaching and mentoring opportunities that are aligned with job purpose, performance measures, best-in-class customer service, and fulfilling the organizational mission.

THEY BUILD UP OTHERS THROUGH ENCOURAGEMENT AND AFFIRMATION

Gallup Organization researchers spent decades accurately measuring employee engagement, which resulted in their Q12 Engagement Survey. They have interviewed more than 25 million employees around the world to find the core of a great workplace.

The 12 questions are designed to be posed to employees. And from the perspective of the employee, many of the questions, I will submit to you, point to the principles of encouraging and affirming employees to be the best they can be.

The results can also be boiled down to 12 "look-in-the-mirror" questions that every leader, manager, executive or HR professional can ask to understand how their companies measure up on the key elements needed to keep their most talented employees.

If you're a manager, and your employees were asked the following about you, how would you do?

- In the last seven days, have I received recognition or praise for doing good work?
- Is there someone at work who encourages my development?
- At work, do I have the opportunity to do what I do best every day?
- In the last six months, has someone at work talked to me about my progress?
- This last year, have I had the opportunity at work to learn and grow?

The research also makes a strong business case for growing leaders in management roles.

Employees who responded more positively to these questions worked in business units with higher levels of productivity, retention and customer satisfaction. The opinions formed by employees pointed to their immediate manager as the critical player in building and maintaining a great workplace. Once again, as the old saying goes, people leave managers, not companies.

THEY HAVE HONEST CONVERSATIONS DURING THE ONBOARDING PROCESS

First of all, if you're new to onboarding, we're not talking about orientation during the first day or week of hire. Effective on-



boarding can extend three to nine months after a hire date, sometimes longer. Research is saying that a typical employee's mind isn't made up about staying or leaving a new company until month six! Companies are catching on to this emotional element and doing something about it.

I want to bring out some key questions that you should ask to find out if you are doing the things that lead to a great new hire experience. These questions are meant to trigger a response for you to be more intentional about having conversations that lead to high employee engagement during those crucial first few months.

- Do you as a leader/manager engage your new hires in “How can we/I help you with your professional development interests?” conversations in the first month?
- Do you as a leader/manager engage new hires in conversations about what motivates them within the first one to two weeks of employment?

- Do most of your employees have development plans? If so, do these plans get discussed periodically one-on-one?
- Are you, as leader/manager, actively helping employees to advance their plans by talking with them?

Let's end with a question to think about: What are some great techniques that you currently use to develop your people? ■



Marcel Schwantes is principal and co-founder of Leadership from the Core. His company's biggest calling is to help leaders build high-trust cultures and achieve optimal organizational health through servant leadership. Reach him at info@coachmarcel.com or sign up for free teleseminars at www.leadershipfromthecore.com.

ENDNOTE

¹ You can access these online at www.SOA.org/ld.

Leadership Inspiration: Mentorship

By Ed Bonach

Editor's Note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be a better actuarial leader. Here is an entry from the "Admirable Leader/Personal Mentor" category.

I value the importance in my career of having mentors. I do not mean mentors in any formal or contractual sense; I mean people who, especially upon reflection, you see had interest and influence in your career and development.

While working on assignment at Allianz in Germany in 1983–1986, the CEO of Allianz Life in Minnesota, the company I was “sent” from, asked me to send him a letter each month to explain what I was learning overseas. (Skype, FaceTime, email, etc. did not exist then.) The CEO also committed to send me a letter each month to keep me up to speed on what was going on back at Allianz Life and in the U.S. insurance industry. He included various personal and professional insights in most letters. I still have his letters!

Very admirable leadership that has benefited me in numerous ways over the years. ■



Ed Bonach, FSA, CERA, MAAA, is CEO of CNO Financial Group in Carmel, Indiana. He can be reached at ed.bonach@cnoinc.com.



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CAREER DEVELOPMENT

The Five Key Principles of Influence¹—Part 3

By David C. Miller

No matter what you do, you are in sales in some way. The word, “sales” or “selling” brings up negative connotations for many people. It may be helpful to think of it as “influence.” Whether you’re a sales professional, coach, consultant or executive—there are key stakeholders in your world you need to influence.

To persuade successfully and non-manipulatively, it’s important to understand **five key principles of influence**. We covered the first three principles in the November 2015 and February 2016 issues of *The Stepping Stone*.² Let’s look at Principle #4 now.

PRINCIPLE #4

PEOPLE MAKE BUYING DECISIONS BASED ON EMOTION AND JUSTIFY THESE DECISIONS WITH LOGIC

Just think about the last major purchase you made: your home, your car, your flat-screen HD TV! Didn’t emotion play a large part in your decision to go ahead and make the purchase? This isn’t to say there weren’t plenty of logical reasons why you bought what you did. But I think you’ll agree that the more money you lay out for a product or service, the more “emotional payback” there needs to be.

You may feel this principle doesn’t apply to your product, service or idea. The truth is that it does. Let’s say you’re selling a computer system to a corporation. What’s emotional about that? The buyer will compare your product with your competitors’ versions and see which one will do the best job (e.g., fastest performance, most comprehensive reports, most user-friendly, etc.). It seems purely logical, doesn’t it?

But wait—think about the buyer: What does he or she want to accomplish? *Doesn’t the buyer want to appear smart*—like he or she made a really great decision for the company? Isn’t that an



To be influential, we need to take into account *both* logic and emotion. Of the two, emotion is a much more powerful motivating force.

emotional desire? The role logic plays is to determine which decision will best accomplish this emotional goal! So even if your product or service is heavily technical, don't discount the emotional component when selling.

Here's another example: Two people of equal means enter a car dealership and look at two different types of cars. One is a red convertible that can do 0 to 60 in three seconds, gets terrible gas mileage and costs \$60,000. The second is a boxy, practical car that gets 50 miles to the gallon and costs \$22,000. Person A buys the convertible and Person B decides on the practical car.

The question: Which purchase involved *emotion* and which involved *logic*? You may think Person A's purchase was driven by emotion and Person B's by logic. But, in reality, logic and emotion were involved in *both* purchases.

It's easy to see the emotion involved in Person A's decision—after all, it's a fun car! But it's also a good bet that Person A came up with several solid logical reasons to make the purchase in order to justify spending \$60,000 (e.g., "it's made better," "it will last longer and have lower maintenance costs," "it will make me look more successful and attract more success," etc.).

It would also seem that Person B's decision was purely practical and, therefore, logical. This may be an erroneous assumption. Person B may have wanted to spend less money on a car because he wanted to spend the \$38,000 on some exotic vacations or use the extra money to put the kids through college. **He used logic to evaluate which decision would give him the most pleasure** (based on his value system)!

To be influential, we need to take into account *both* logic and emotion. Of the two, emotion is a much more powerful motivating force. Unfortunately, too many people ignore the emotional component and focus solely on logic—neglecting what compels people to buy.

Focus more on what drives people emotionally for better influence.

In the next issue, we'll explore the fifth (and final) principle of influence.

If you want to learn more about strategies, skills and models actuaries can utilize to become more influential, you may want to read *The Influential Actuary* (www.theinfluentialactuary.com). ■



David C. Miller, FSA, M.S., PCC, is president of Leadership Growth Strategies (www.leadershipgrowthstrategies.com), an organization that specializes in helping executives become more influential leaders and consultants generate higher revenues for their practices. See his website for free weekly leadership tips.

ENDNOTES

- ¹ Excerpts in the article are taken from *The Influential Actuary*, copyright 2010 by ACTEX Publications Inc. Reproduced with permission.
- ² Available online at www.SOA.org/ld.

CAREER DEVELOPMENT

Five Benefits of Being Vulnerable

By Doreen Stern, Ph.D.

T rue confessions: I dream of being perfect. I picture every spiky hair on my head standing at attention as I make my way to the stage to deliver a humorous presentation titled, “How to Increase Your Confidence So You Seem Like a King or Queen.” Afterward I envision audience members clapping and circling me to ask questions.

Sure, I’ve delivered talks like that. But just as real is how flummoxed I felt yesterday at Starbucks, when I had trouble ejecting a DVD from my MacBook Pro. Seeing my distress, a friend hurried over and deftly pressed the triangle at the top of my laptop. Voilà, the disc appeared.

What’s wrong with me? I worried, feeling embarrassed that I’d appeared inept.

Yet executives like Walter Bettinger, CEO of the Charles Schwab Corporation, claim that the willingness to expose oneself is key to moving up the organizational ladder.

“You’ve got to open up to move up,” declares Bettinger, a former actuary.¹

“It was more important than anything to share with people the great failures of my life as opposed to the successes,” he reveals.

“One of the things that was the most challenging for me was the confidence to open up,” Bettinger admits. “I’ve always been a relatively private person, and maybe with a natural tendency to assume that people don’t want to hear what [I] might have to say. ...”

“But one of the lessons I learned is that, in the transition from management to leadership, I had to open up. I had to be vulnerable. I had to share with people.”

Here’s why: “There’s a contractual relationship with your manager. And you can do your job and fulfill the terms of that contract and never really have your heart in it.”

“But leadership is something completely different. With leadership, you make a decision *every day* about whether you choose to follow someone. And you make it in your *heart*, not



your *head*. The ability to inspire followership is so different from management, and it requires *transparency, authenticity, and vulnerability*. ...”

WHAT DO RESEARCHERS SAY ABOUT THE IMPORTANCE OF VULNERABILITY?

In 2010, before she became a consultant to corporations such as Google, Banana Republic and Morgan Stanley, along with being an *Oprah Magazine* contributor, I was one of Dr. Brené Brown’s Facebook friends. She’s a research professor at the University of Houston Graduate College of Social Work. Shortly before her popular TEDx Talk, which has garnered more than 23 million views and is one of the top-five-watched TED Talks in the world,² Brown put out a Facebook request: “How do you define vulnerability?”

“Being willing to be seen as you are, warts and all,” I wrote back. “Asking for help when you need it, and saying when you don’t understand something. Being willing to look stupid.”

For her part, Brown uses four specific words to define vulnerability: “exposure, uncertainty, and emotional risk.”

“You can’t get to courage without walking through vulnerability.”

—Brené Brown

“Yes, feeling vulnerable is at the core of difficult emotions like fear, grief, and disappointment, but it’s also the birthplace of love, belonging, joy, empathy, innovation, and creativity.”

Furthermore, “when we shut ourselves off from vulnerability, we distance ourselves from the experiences that bring purpose and meaning to our lives.”³

HOW CAN BEING VULNERABLE HELP US BECOME MORE SUCCESSFUL AT WORK AND AT HOME, TOO?

Where vulnerability is concerned, most folks ask: “Why should I dare?” I can’t answer this question for you; however, I *can* share what I’ve decided for myself:

1. I’m more creative when I put less stock in what others think. When I let others’ perceptions shape my decisions, I shrink with each breath I take. Because what kind of life do I have when I live in fear of offending others, sticking out, or saying the wrong thing?
2. I get more of what I want when I tell people what that is. From a raise, to a job opportunity, to plans with my family and/or friends, it doesn’t serve me well to hide my preferences out of worry that I’ll get slammed for asking for what I want, especially since people generally respond to my requests based on *who they are*, and *their own beliefs*, over which I have *little* control.
3. I have closer relationships with my family, friends, co-workers and boss when I express my true feelings, thoughts, preferences and ideas. Sure, I worry that they’ll laugh at me, because somewhere in my neural pathways is the belief, “I’m not good enough”; but in truth, *I’m fine just the way I am*.
4. The only way I grow is when I say what I don’t know and ask for help. For example, during my doctoral studies I once taped a note on the office door of a professor at Dartmouth College, admitting that I was stumped about statistics. “I have to be good at it to pass my Comprehensive Exams,” I wrote.

Out of the warmth of his heart, he tutored me, invited me to audit his winter term statistics course, and served on my dissertation committee. His assistance resulted in my winning “New Hampshire’s Better Government Competition” and being elected to *Who’s Who Among Students in American Universities and Colleges*. It all came about because I became desperate enough to say, “Help!”

5. I’m more successful when I express my own uniqueness, rather than try to fit in. And it’s not just me: Most successful people abandon the path of saying nothing, riling no feathers, and making no waves. The ones who don’t stay hidden from view. I don’t want that kind of life, so I choose to take the (sometimes) uncomfortable path of articulating my individuality. (*On the big screen, think Steve Jobs, Ruth Bader Ginsburg and Abraham Lincoln.*)

CONCLUSION

At its core, *trust* undergirds the willingness to let oneself be vulnerable. Patrick Overton put it this way, in his 1975 poem, *Faith*:⁴

*When you walk to the edge of all the light you have
and take that first step into the darkness of the unknown,
you must believe that one of two things will happen:*

*There will be something solid for you to stand upon,
or you will be taught how to fly.*

If you ask me, standing on solid ground is good, yet I opt for flying. How about you? ■



Dr. Doreen Stern is a writer, motivational speaker and success coach in Hartford, Connecticut. Her dream is to become a best-selling author. She’s currently writing a book about creating the courage to tell the truth. She can be reached at Docktor@DoreenStern.com.

ENDNOTES

- ¹ This and the following quotes are from an article available online: <http://www.nytimes.com/2016/02/07/business/walt-bettinger-of-charles-schwab-youve-got-to-open-up-to-move-up.html>. Retrieved Feb. 23, 2016.
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Leadership Inspiration: The Book That Changed My Life

By Juan Arroyo

Editor's Note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be a better actuarial leader. Here is an entry from the "Book/Song" category.

This book is meaningful to me because of its simplicity and the depth of its content. The most impactful book I have read and applied to date is *The 15 Invaluable Laws of Growth* by John C. Maxwell.

I read this at a time in which I was going through a rough patch in my career. I was getting bored and burned out in my current role. Hence, I started wondering what else I could do, what I wanted to do long term, and how I could become significant rather than successful.

As I started reading, I realized I spent most of my career going through the motions and letting others dictate what to do in life.

I share three of the many insights I learned from this book: intentionality, reflection and stretching.

INTENTIONALITY: GROWTH DOESN'T JUST HAPPEN
Experience ≠ Learning

While I had seven years working as an actuary, I discovered that I hadn't really learned much after the first three years. I just repeated the same actions, thoughts and knowledge for four years.

I realized that if I wanted to learn I needed to be mindful about what I was doing and purposeful about where I should invest my energy.

This is where the second insight, reflection, comes into play.

I realized that if I wanted to learn I needed to be mindful about what I was doing and purposeful about where I should invest my energy.

Intention ≠ Intentional

Having the intention to do something doesn't mean I did it.

REFLECTION: LEARNING TO PAUSE ALLOWS GROWTH TO CATCH UP

Reflection is what allowed me to realize I was repeating the same year of learning over and over. Without taking a break to think about my current situation and recent events, I would have not been able to become intentional about where I want to go and who I am meant to become.

Reflection is what makes a life event become a life-changing experience.

STRETCHING: GROWTH STOPS WHEN WE LOSE THE TENSION BETWEEN WHERE WE ARE AND WHO WE COULD BE

I had to learn to be comfortable with change and new surroundings. One of the reasons why I spent the four years repeating the first three years of knowledge was not trying something new. I had to learn the comfortable is the enemy of progress.

In summary, this book helped me realize that in order to succeed I had to become intentional about where I was going, who I was going with, and to accept change as a creative agent for a better future. ■



Juan Arroyo, ASA, MAAA, wakes up every day looking for the question that allows an individual to break through a self-limiting belief and become a better version of oneself. He can be reached at juanri31@gmail.com.

PEOPLE MANAGEMENT

Do Nothing!

By Kelly Hennigan

As mentioned in the Chairperson's Corner, this is the first of a three-part series focused on the "Do Nothing" leadership approach presented by Professor J. Keith Murnighan, the Harold H. Hines Jr. Distinguished Professor of Risk Management at the Kellogg School of Management, Northwestern University. Murnighan is the author of the book *Do Nothing!* and promotes a synonymous leadership approach.¹

Murnighan's book, *Do Nothing! How to Stop Overmanaging and Become a Great Leader*, opens with a dream—a dream that many of us would believe less likely to materialize than the delusion of winning the lottery. (You can't win if you don't play, right?)

The author's dream for his reader is this: **You have just returned to the office after a three-week vacation during which you did not take your cellphone and did not check emails.**

Your first reactions might be: How is THIS possible? Who would this REALLY happen to? Maybe this happened in some OTHER company—it would never happen where I work ... and so forth. But, continue reading and barely 15 pages later, Murnighan has emboldened us to take his "Do Nothing" approach to leadership and make this dream a reality.

"So go on vacation. Leave your work phone at home. (Your team might surprise you, and they might even surprise themselves.)"

—J. Keith Murnighan

The professor suggests that the role of a true leader is to facilitate, orchestrate and coordinate—essentially to allow people to do their work without micromanaging them.

STOP WORKING AND START LEADING!

Early in the book, Murnighan describes the typical everyday leaders—those of us with hectic, face-paced lives who never seem to be able to finish everything. Murnighan clearly states that he is not focused on the workaholic population, but rather the broader cohort of those of us who are hard-working, conscientious, and have the natural reaction to want to step up to do more. In a nutshell, he advises us to stop working and start leading.

The professor suggests that the role of a true leader is to facilitate, orchestrate and coordinate—essentially to allow people to do their work without micromanaging them. Oftentimes, particularly in the financial world, those who are technically savvy may be promoted up through the ranks and find themselves transitioning from a "doer" to a "leader"—even if they were not seeking out a management role. With a natural tendency to fall back upon the familiar, these new leaders can quickly fail if they revert back to what they know. It is all too easy to get back into the weeds, and intervene with the day-to-day technical details you have already mastered, rather than taking a step back and managing from afar. Many spend too much time trying to make things perfect, when good enough will more than suffice.

Despite this "Do Nothing!" approach to leadership, there are instances where leaders are expected to actually work. Murnighan suggests that leaders only work under the following two circumstances:

1. **When you are the only one with the skills to do the task.** In some situations, you may truly be the only one capable, and if so, there is no choice other than to get the work done. Just be sure to train or enable a team member to hone these skills going forward. That way, if the situation arises in the future, you can sit back and truly "Do Nothing!"
2. **When dirty work needs to be done, ensure that everyone on the team takes a turn.** There are always those tasks that have to get done that nobody looks forward to doing. In the spirit of fairness, it is only right to rotate these chores around the entire group, including you.

WALKING THE LEADERSHIP TIGHTROPE

"Leaders must walk a fine line between control and democracy, between delegation and taking responsibility, and between kindness and direction."

—J. Keith Murnighan

Many leaders in the financial industry have achieved success due to their ability to analyze the upsides and downsides of financial risks. However, as Murnighan points out, "It's far less natural for (leaders) to think that their interactions with people have



similar upsides and downsides.” Leadership is a social—yet at times, isolating—activity. Leaders across varying industries and professions experience many of the same leadership challenges that can be resolved by similar solutions. In *Do Nothing!* the following are identified as typical leadership problems.

1. **Egocentrism.** Many of us find it difficult to put ourselves in someone else’s shoes. This is a significant hurdle for leaders to overcome as they are frequently focused on their own actions due to being in the spotlight—whether it be in daily meetings with the department, as a liaison with other areas of the company, or as the “face” of the department to senior management.
2. **Empathy.** As a result of concentrating on their own behaviors, leaders may be viewed as lacking empathy for those who are at lower levels of the company.

In one example, a group of student doctors was told to imagine what patients were experiencing and then to go on their rounds, while a second group was told nothing. The patients interacting with the first group of doctors were more satisfied with their doctor/patient experience than those with the second, less empathetic group. Egocentrism and lack of empathy

can often go hand in hand, but leaders can overcome these by tapping into their emotions to better relate to others.

3. **Transparency.** People, and particularly leaders, believe that others see the world in the same way they do. Often we assume that our ideas are easily and well understood, when this may not be the case.

In an experiment, psychologists Dale Griffin and Lee Ross asked people to use their fingers to tap a melody on their desks so that a person listening could guess the song. The tappers presumed that far more listeners guessed the right song than those who actually did! By recognizing that others may have perspectives of their own, leaders can be better equipped to convince others with contrarian views.

4. **Behavior.** Society can stimulate behaviors that allow it to confirm expectations. Individuals can elicit actions from others that result in self-fulfilling prophecies.

For example, if a waiter believes that younger couples leave lower tips, he may not be as attentive with his service. This results in the young couple leaving him a lower tip. Leaders should consider the behaviors that they exhibit toward their teammates to determine if their actions are resulting in the

Initiating the dialogue and asking questions conveys respect, builds trust, and also results in getting information and answers.

behaviors that they would predict. To the extent that they modify their behaviors, perhaps it could result in a different reaction.

Murnighan suggests that leaders counterbalance the challenges they face via the following tactics.

1. **Focus on them.** The professor recommends that leaders ask lots of questions, which is the approach used by Duke University's coach Mike Krzyzewski in his book, *Beyond Basketball: Coach K's Keywords for Success*. He recommends focusing the attention on players by asking questions. Initiating the dialogue and asking questions conveys respect, builds trust, and also results in getting information and answers. (As an aside, it's tough for this UConn graduate to reference a Duke icon.)

2. **Practice the Leadership Law.** Those in managerial positions should take the time to establish rapport with team members. Supervisors can then practice the "Leadership Law": think of the reaction you want, then determine the actions to be taken to maximize the chances of generating the desired reaction from others. (His basis was Sir Isaac Newton's "every action has an equal and opposite reaction.") Similarly, rather than supposing that others are on your wavelength, it is recommended that leaders explain their ideas and provide supporting rationale, in order to achieve transparency.

3. **Be an active listener.** Leaders are called upon to speak in many circumstances—in meetings, in representing their teams in cross-functional projects, and in conversations with senior management. However, leaders also need to be able to actively listen to their teams. One technique to ensure a constructive, substantive dialogue is to repeat in your own words what a speaker has said. This will limit the number of back and forth exchanges and will further cement the dialogue in the leader's memory.

4. **Get on the balcony/walk the floor.** This phrase most succinctly describes how to combat all of the challenges that leaders face.

"Get on the balcony" refers to watching yourself and the situation from above as it unfolds. Imagine that you are floating



on a hot air balloon above the situation, or think of yourself as being in the press box above the field during the game.

“Walk the floor” refers to getting onto the same level as your teammates—focus on them, listen to them, get acquainted with them so that you can determine what actions to take to solicit the reactions you are seeking.

The author shares the story of Navy Cmdr. Michael Abrashoff, the commander of the USS Benfold at the age of 36 and the most junior commanding officer in the Pacific Fleet. The Benfold was plagued by low morale, high turnover and abysmal performance evaluations—yet 12 months later the ship ranked No. 1 in performance using the same crew. Abrashoff exemplified that leadership matters and culture is essential—and credits (in part) walking the deck.

SMELLS LIKE TEAM SPIRIT

“Teams that include people who know what they are supposed to do, who are happy to do what they are supposed to do, and who can do what they are supposed to do are successful teams.”

—J. Keith Murnighan

Teams are typically a reflection of their leaders. Leaders need to know to step aside when they have capable teams. Early on in *Do Nothing!* the author shares with the reader a historical anecdote about a small division of Eastman Kodak whose leaders had truly stepped aside. Due to some corporate changes, this particular department was left leaderless and fell off the corporation’s radar. Despite their lack of supervision, the division continued to effectively perform for months without disruption. Not until a customer contacted Eastman Kodak to compliment the group on their efforts, did the corporation realize that they had a “lost division” somewhere in the company! This example illustrates the ability of a team to be resilient despite the absence of a leader.

Most successful leaders set expectations around what their specific team members can (and cannot) do. Praising a team member in front of other employees for a job well done not only boosts that individual’s self-confidence, but also results in developing other team members’ “transactive” memories.

Transactive memory is a psychological hypothesis first proposed by Daniel Wegner in 1985 as a response to earlier theories of “group mind” such as groupthink. A transactive memory system

is a mechanism through which teams, groups and organizations collectively encode, store and retrieve knowledge. Each individual’s memory system consists of their own knowledge, combined with the memories of different teammates’ areas of expertise. In this way, a transactive memory system can provide the group members with more and better knowledge than any individual could access on his own.

Over time, seeing their leader single out various team members for a specific skill set enables others on the team to quickly turn to the right person when a new task or question arises. Teams that have worked together for longer periods of time often are more efficient than those that have been more recently assembled—due to having longer transactive memories. Ideally, all leaders want to build diverse teams with broad areas of expertise, so that the team exhibits a collective confidence—or esprit de corps—to nimbly tackle whatever challenge comes their way.

To conclude this portion of the series, Murnighan’s approach is a dream come true—he raises some thought-provoking, yet actionable concepts related to leadership, its challenges and solutions, and team spirit. Future installments will focus on trust and goals, as well as some unnatural leaders.

When asked why he wrote the book, Murnighan commented, “I wrote this book in the hopes that it would open doors to leaders everywhere. Leadership does not have to be hard—too often we make it harder than it needs to be. Sometimes we can’t seem to help ourselves. But I hope that the ideas in *Do Nothing!* help leaders see how they can do less and achieve more. Not only will they benefit, but their team members and their organizations will, too.” ■



Kelly Hennigan, FSA, CFA, is chairperson of the Leadership & Development Section Council. She can be reached at kellymhennigan@aol.com.

ENDNOTE

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PEOPLE MANAGEMENT

Diversity and the SOA

By John Robinson

At the 2015 Society of Actuaries (SOA) Annual Meeting, incoming president Craig Reynolds listed his five top priorities. Among them was his deep commitment to diversity and inclusion. Here's a brief history of my involvement with diversity, how Craig's interests and mine intersect, and what you can expect to see going forward. I will end with concrete suggestions for how you can play a role in strengthening diversity and inclusion in our profession.

In 1985 "John Robinson, ASA" left Jamaica to join the staff of a large life insurance company in the Midwest. I was the only actuary of Jamaican ethnicity, and the only actuary of color, in the company. I was hired at a time when there was a shortage of actuarial talent across the country, and getting an H-1 visa was "No problem" (a popular Jamaican phrase).

In my experience, actuaries are fair-minded individuals. I have heard stories of behavior that is inconsistent with that assessment; but I believe that those are isolated cases. So I had the same opportunities to succeed, in my exams and as a management trainee, as all of my peers. My company treated me well and fairly.

In early 1993, our chief actuary became aware of the then new concept of "diversity." He realized this was a great idea for both altruistic ("the right thing to do") and business perspectives. The subject was discussed within the actuarial leadership, and it was clear to me that it was gaining some traction.

The actuarial department, numbering about 100 actuaries and students, was invited to a presentation by one of the company's leading economists. The presenter made a number of remarks about various social groups that I thought lacked sensitivity. Sensing that I was not alone in that assessment, I wrote a letter to the chief actuary, copying other senior actuaries, criticizing the statements as inconsistent with diversity. The letter was well received. What I didn't realize was that I had just launched my career in diversity.

Toward the end of that year, the chief actuary arranged a multi-day training session on diversity for all FSAs, and I was invited to attend. The lead trainer was an African-American male, and he issued a strong challenge to this predominantly white male group. Some may have been affronted by a suggestion that they



If a company can leverage employees' differences, it will get the most productivity and creativity out of its employees, and most likely expand its markets and increase profitability.

were "racist"; but they all embraced the idea that things were not as right as they should be.

It quickly became apparent that diversity must be about more than just race. The actuarial department created a committee to promote the values of diversity and inclusion within the department, which I chaired for nine years.

The business case for diversity is now well-known: If a company can leverage employees' differences, it will get the most productivity and creativity out of its employees, and most likely expand its markets and increase profitability.

About the same time, I became involved with the International Association of Black Actuaries (IABA), and was president from 2010 to 2013. Founded in 1992, the IABA seeks to expand racial/ethnic diversity within the actuarial profession, primarily in the United States. When I attended my first annual meeting, we met for half day on a Sunday, had a nice meal and a good presentation, and went home until the next year's annual meeting. Today, the organization has activities year-round and a full-time executive director.

In 2013, I was elected to the SOA Board of Directors, where I met Craig Reynolds. I started a conversation with SOA staff on how the SOA could help the IABA. The discussion went to the Board's Issues Advisory Council, where my idea and concern merged with others' regarding diversity.

The SOA had, in fact, long been concerned about (a) the lack of minority representation; and (b) the lack of female leadership. Until then these issues had been "on the back burner." The Issues Advisory Council considered this a worthy long-term venture, a view that was embraced by the Board. President Errol Cramer, himself a strong advocate, formed a task force, to be led by Craig Reynolds. I was asked to serve on the task force.

Now you really can't ask for more importance to be attached to something than to have the president-elect leading the charge. This signaled the highest possible level of prominence.

The task force met for a year, and has now given way to a standing Board committee, the Inclusion and Diversity Committee (IDC). The volunteers who direct it, and the staff who support us, are all very passionate about these issues.

There are two important questions that the committee must address: why and how.

Why: If diversity for a company is about employee productivity and increased profitability, why is diversity important for a profession? For some thoughts on this question, I invite you to read "Building an Inclusive Work Environment"¹ by Linda Shepherd, FCAS, MAAA, and Kwame Davis, FCAS, MAAA.

How: The committee has partitioned this into short term and long term. In the short term, we will develop a Diversity Statement (the Casualty Actuarial Society (CAS) already has one), and enhance diversity and inclusion at SOA meetings.

The long-term "how" is the most challenging question. For this, the task force reviewed the experience of the medical professions, which culminated in the Sullivan Report of 2004.² The Sullivan Commission leveraged the results of a research project that examined the barriers experienced by underrepresented minorities at all levels of the education system, from primary

school to medical school. They developed recommendations based on empirical facts.

Our committee is planning similar research for our profession. Armed with that research, a long-term strategy can be formulated.

So how can you help? Here are two ideas, and you may have others:

1. Many actuarial employers now have diversity programs. In these programs, diversity is defined in several dimensions, such as race, gender, disability status and sexual preference—the company may list 12–15 dimensions. One dimension that is very relevant to actuaries is thinking style, which acknowledges that thinking about problems from different approaches is a strength, not a weakness. Your company may have a chief diversity officer. Get acquainted with that person.

If your company or department has a diversity committee, attend their meetings and offer support and encouragement. At one meeting, we showed the movie "Crash." One attendee brought a box of tissues, and used them. Following the movie, we had a facilitated discussion.

If your company or department doesn't have a diversity committee, get one started. Whatever you can do to keep the conversation going will be welcome.

2. For hiring managers, make a conscious effort to find a diverse talent pool for your open positions. I am not promising that the pool will be large; but at least try. One of the tenets of diversity is that we are all prone to hiring "someone like me"—also called "unconscious bias." This is a natural tendency that must be resisted if we want more diversity. Any department, and any team within the department, probably needs multiple skill-sets and/or multiple thinking styles to fulfill its mission. Seek out prospects for the differences, not just the similarities that you can leverage to maximize the performance of your team.

There are so many dimensions to diversity that there will be no shortage of challenges in the future. Thanks to Errol Cramer, Craig Reynolds and others whose names you would probably not recognize, diversity now has a permanent place in the SOA. ■



John Robinson, FSA, FCA, MAAA, is president and chief actuary of Robinson Associates LLC and a member of the SOA Board of Directors. He can be reached at jwrob03@gmail.com.

ENDNOTES

¹ <http://theactuarymagazine.org/building-an-inclusive-work-environment/>.

² *Missing Persons: Minorities in the Health Professions*, available at <http://www.aacn.nche.edu/media-relations/SullivanReport.pdf>.

Leadership Inspiration: Always Have That Minute

By Joanne Ryan

Editor's Note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be a better actuarial leader. Here is the winning entry from the "Defining Moment/Event" category.

My defining moment that changed how I show up as a leader was after I hired my coach, Karen Sullivan. I hired her for personal reasons, but like all coaching, it eventually touched on all aspects of my life. In one session I was telling her about the stress I was feeling at work trying to get a project done, when someone who reported to me popped into my office and said, "Do you have a minute?"



I told Karen at that moment my stress level had elevated even more, and I also felt a bit irritated and frustrated, which I regretted afterward. We talked about how I wanted to show up as a leader for quite a while during that session, and my biggest takeaway was when she said, "The people who work for you are your biggest asset. Think about the courage he had to come into your office and ask you for some time, so always have that minute." I loved that phrase so much that I actually wrote "Always Have That Minute" on a sticky note and stuck it on my computer monitor so I would see it every time somebody walked into my office.

Karen is not only an incredible coach but also a leadership fanatic, and she really helped me rethink my views on leadership. She helped me realize there is no secret formula for being a great leader, because we are all unique and have to find the leadership style that works for us. Being an exceptional leader requires our leadership approach to change with each and every person, since the people we lead are all unique as well and will respond differently to different styles.

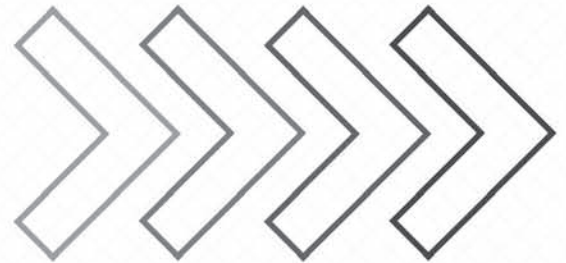
She also helped me see being a leader requires a flip in attitude and perspective from how we had been approaching our careers. As we start our careers as actuaries, the focus is on "me" and what I can do to be the best actuary, to do the best job on a project, to be most effective in my position, etc. This makes sense in the early stages of our careers because we're developing the knowledge and skills to become successful actuaries. As we move into leadership roles, the focus flips from me to them:

- How do I inspire, motivate and develop them?
- How do I stretch them and give them opportunities to grow?
- What can I do to make the greatest impact on their careers and lives?

Basically, I now look at my role as a leader as not what they can do for me, but rather in what ways I can support them. Helping those on my team and around me become more knowledgeable and more skilled actuaries and leaders has a much greater impact than doing it myself, so Always Have That Minute! ■



Joanne Ryan, FSA, MAAA, CPC, ELI-MP, is director, actuarial at Horizon Healthcare Services Inc. in Newark, New Jersey. She can be reached at joanne_ryan@horizonblue.com.



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PERSONAL DEVELOPMENT

Could You Use More Commitment at Work?

By Darcy Eikenberg

Let's be honest. When we talk about needing to create more commitment at work, we're usually referring to gaining more commitment from **other people**. This request shows up all the time, in everyday ways like this:

- "I wish he'd show up to meetings on time."
- "If she'd only read her email, she'd be in the loop and stop complaining."
- "No one in my office ever says thank you, even when I kill myself to get the work done."
- "Why won't that group put aside their individual agendas and work like a team?"

In fact, in our companies today, we're using countless tools to increase commitment of others, including finding ways to use pay, benefits and recognition differently. But while we have more tools than ever to help us increase commitment (and elevate its doppelganger, engagement), let me ask you this:

IS COMMITMENT INCREASING IN YOUR COMPANY?

If your answer is no, you're not alone. I have a secret for you. You're looking in the wrong place. You're looking at everyone else.

The truth is that in order to increase commitment from others, you first have to increase it in yourself. Yes, I hear you. You're busy. You can't take on anything else. You're working as hard as you can.

But what if you could feel better at work, be less stressed, be more productive, and feel more like your work mattered? What commitments would you make to get those results? Here are four you can try right now, without any fancy training, tools, or taking loads of time.

THE COMMITMENT TO LISTEN

You're smart. You have great ideas. But are you talking more than you're listening?

Refresh your commitment to shut up, shut up, shut up. Create the space and respect to listen—and really hear—the other

The truth is that in order to increase commitment from others, you first have to increase it in yourself.

voices around you. People are more committed to people who actually hear them. Listen up.

THE COMMITMENT TO TEACH

You're smart. You have great ideas. How much of that are you *teaching*, versus *telling*?

Teaching means remembering to share the entire context of an issue, not just the solution steps. Too many times we think we've "taught" when we've told, "just do x, y and z." But if the students don't fully understand how you got there—the "why," your assumptions, your experiences and results, etc.—they'll never absorb the lesson on their own.

THE COMMITMENT TO BE PRESENT

You're smart. You have great ideas ... *blab blab ... oh, sorry, be back in a moment, just got a text. ...*

You've chosen to be where you are (yes, even the meeting that you think is a waste of time—that's a choice). So really be there. Don't waste your lifetime zoning through the moment or being distracted by the siren call of the tiny screen in your pocket. Be committed to be mentally and emotionally available, and you'll get more out of every situation you're in. And people will give that commitment back to you.

THE COMMITMENT TO CARE

Whether you've used it at work lately, I know you have a heart, Tin Man. Even if you're frustrated, discouraged, and have a foot out the door, **challenge yourself to find something or someone to give a darn about.**

Maybe it's a colleague, a client or a process that's broken. Maybe it's your local professional association, or community group. Maybe it's someone who just needs more of what you have to give.

If you want more commitment from others, try starting with the most important person in your work life. And that's you. ■



Darcy Eikenberg, PCC, is an executive coach and speaker on leadership and career success. She's the author of *Bring Your Superpowers to Work*, and regularly shares free tools at RedCapeRevolution.com. Reach her at Darcy@RedCapeRevolution.com.

PERSONAL DEVELOPMENT

The Zen Actuary

Installment 8: “Adventures in Headstands”

By Rich Lauria

*Author’s Note: This is the continuation of a series¹ adapted from the book *Awake at Work* by Michael Carroll, covering the application of Buddhist teachings to situations encountered in a modern corporate workplace setting. This series addresses challenges frequently encountered by practicing actuaries.*

This installment takes a 90-degree turn from the prior seven. Instead of covering a specific chapter from *Awake at Work*, I draw upon my yoga asana practice over the last

five years to show how several Buddhist principles tie into actuarial practice. Learning to stand on my head has been such a core part of my life that I feel compelled to share the experience and the many lessons I have learned from it with anyone who will listen. I hope the following conveys what an amazing ride this has been.

“I’m never gonna get this ****ing **** pose!”

This has been a very familiar refrain—usually (but not always!) said silently as I once again find it impossible to stand on my head, no matter how hard I try or how often I practice. This child-like temper tantrum is then followed by the usual assortment of personal denigrations knocking everything from my lack of core strength to my lack of courage.

Then the rational adult in me takes over the proceedings in my head, explaining why I apparently lack these necessary ingredients and that it’s not all my fault. This includes the identification of a wide assortment of co-conspirators to my pate-balancing failures including:



- My sedentary job and its stresses
- My wife—who won't let me do five hours of yoga instead of one
- My genetics/parents
- Television shows that distract me from practicing the pose
- My yoga instructors—who are clearly withholding some key technique that would magically produce perfect effortless verticality
- Society at large, and
- Last but not least—God

And that's just to name a few.

When I return to something approaching sanity—at least as it manifests in my crazy mind—I contemplate what is going on with this pose and my reaction to it. Why is it so important that I be able to do this pose? Is it because I see others doing it—with calm and ease to boot? Is it because I feel incomplete as a yogi without being able to reach for the sky with the soles of my feet? Do I have aspirations of competing in yoga competitions or appearing on the next cover of *Yoga Journal*? Am I simply trying to impress the female practitioners in the class like some middle-aged adolescent?

As I contemplated this further, I realized that at its core (pun intended, as strong core muscles are mandatory for headstands) my drive and ambition to do this pose were not materially different from my drive and ambition to not only become an actuary, but to take on what at various stages were considered complex and quite challenging roles for my various employers.

I learned early on in my exam-taking days that passing an actuarial exam was no small feat. Achieving fellowship felt like reaching the summit. And then there were career challenges—pricing variable reinsurance guarantees, building increasingly sophisticated economic scenario generators, crafting more refined asset-

liability management models, constructing actuarial disclosures for an initial public offering, designing a process for determining reinsurance accounting, establishing an enterprise risk management model and corresponding framework, and so on.

Headstand was just a manifestation outside of my actuarial career of the pure joy of tackling something challenging and worthwhile that I have found over and over again within my career! I'm sure you can relate to this both in terms of career, and those things outside of being an actuary that you are passionate about.

In addition, I wanted to experience the many benefits of a proper headstand practice. There are clear physical benefits—it's a workout unto itself. I have etched in my brain the encouraging instruction from one of my favorite instructors, "More navel to the spine, Rich! Lock it in!" as I toil to find the pose. However, I have found those benefits are transcended by the mental and spiritual benefits of holding the pose for more than just a few breaths. There are few things that have been more effective at keeping my mind in the present moment than attempting to stand on my head. It's a serious pose and letting one's mind drift is a recipe not only for failure but potentially serious physical harm. That same yoga instructor counseled me early on about the two basic rules of headstand:

1. Don't break your neck, and
2. Don't break your neighbor's neck.

Now, while actuarial practice typically doesn't involve the possibility of physical damage (although sleep deprivation and poor diet are potential hazards that I've experienced), there is one rule that one of my first supervisors pointed out to me that I've carried throughout my career: "Don't blow up the company." Not from a literal standpoint, of course, but don't take actions that significantly heighten the probability of financial ruin.

And actuaries regularly perform work that benefits society at large, exercising creativity and discipline through the design of cost-effective products and risk management systems that protect the financial well-being of the customers and constituencies being served and spreading risk in an efficient way. This provides emotional wellness for both actuaries and their clients.

A central aspect of headstand practice is facing fear. I still remember my first yoga class and watching seemingly everyone else go up into a full headstand as I thought to myself, "There ain't no way I'm ever doing that crazy ****!"

One of the greatest things I've found in yoga practice is that there is almost always a way to modify a pose to accommodate one's physical capabilities. And many of the benefits of the more advanced pose are still retained even with these modifications. Headstand is a classic example, with very preliminary alterna-

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tives that are low risk. Such pose de-risking allows one to gain the feeling of placing weight on one's head without the stress. Over time, I graduated to more advanced modifications, and at each point had to face some fear of failure and somewhat more risk of getting hurt.

This is not unlike what actuaries go through, starting with basic assignments that challenge the understanding of core principles without necessarily exposing the company to undue risk. The work is often well-supervised and may involve something elementary like re-pricing a product with straightforward tweaks to assumptions or product design. As competence is consistently demonstrated, the assignments become more complex and the scope is widened, such as pricing an entire product series or performing valuations for key clients. The shackles are gradually removed and more autonomy and responsibility are provided. With that the consequences of errors on the company's or client's financials are correspondingly heightened.

Associated with all of this is the risk of falling out of the pose. For several years, I worked with a wall. I could not get off the wall for the longest time because of my fear of falling, which is perfectly rational. However, I needed to risk falling if I was to continue progressing in the pose. I had literally hit a wall. That meant I needed to learn how to fall; I had already unwittingly fallen a handful of times and it hurt like heck. So I took a private lesson where all I did was practice falling and tumbling. By the

end of the lesson, I was much less afraid of doing either. I fondly remember it as a turning point in my headstand pursuit.

Building complex risk models is not for the faint of heart either. Today's actuary often constructs models with hundreds and sometimes thousands of parameters. Many of those parameters have interdependencies that may not be obvious during model creation. Some do not have the historical data credibility to support the values being used. The algebra can get seriously convoluted. The need for extensive model management and sensitivity testing is real and appropriate.

But at some point the actuary has to "get off the wall" and put the results of the model at risk. This means taking steps to reduce the impact of the model "falling." Actuaries have a number of means to achieve this, including providing sufficient margins in critical assumptions, providing ranges of results, model back-testing, severe scenario analysis and peer review. Model risk management is on the minds of most actuaries nowadays.

Sometimes even benign falls have indirect adverse consequences—beyond the black and blue marks! I was walking home from yoga class one morning and I ran into my neighbor who lives in the apartment next door to mine. He was very agitated about someone in the building dropping weights unexpectedly between 6:30 and 7:00 a.m. many mornings, and that this was a recent phenomenon that was irritating him and his wife. He

It truly has been about the journey. It's about what was going through my mind at each stage, through every fear and fall, and how I handled the myriad feelings and emotions.

asked if I heard the same thing and where did I think it was coming from. I was puzzled and told him I didn't know what he was talking about, but that I would ask my wife when I got home.

Well, I followed through on that promise, describing to my wife the disturbance that agitated our neighbor. I got that exasperated look from my betrothed that I have seen many times in our 23+ years of wedded bliss, followed by, "You idiot. That's YOU falling out of your crazy headstand!"

The realization horrified me. I felt so guilty that I was afraid to face my neighbor for days. Finally, my conscience got the better of me and I decided to fess up to him. When I explained that I was the noise-maker falling out of my headstand attempts, his serious look turned to one of complete glee, and cackling hysterically, he said, "That is so funny! I love watching people fall! Please invite me over the next time you are going to do this!"

Sometimes our work product has unintended consequences. Perhaps that new secondary guarantee reduces premium to our product, or the new commission structure generates more sales at the lowest profit cells, or insured value risk limits lead to turning away profitable sales or purchasing expensive reinsurance. Model errors may not bankrupt the company but could lead to financial reporting restatements and incorrect incentive compensation payments, which are not pleasant experiences.

And then there is the feeling of ultimate accomplishment. I will never forget my first headstand off the wall without falling in class. I remember that same instructor, who had been working with me for years, saying "Am I seeing what I think I'm seeing? That's

fantastic!" The rest of the class stopped and gave me a (head) standing ovation. The joy and elation I felt were indescribable.

I've been blessed to have such memorable moments in my career as well. We need these milestones to confirm our efforts and keep us going, whether it's finishing that new valuation system, launching that new product, consummating that company-transforming acquisition, or delivering that well-received risk presentation to the board.

However, as I reflect back on my headstand experience, it truly has been about the journey. It's about what was going through my mind at each stage, through every fear and fall, and how I handled the myriad feelings and emotions.

In the same way, our careers are much more than a laundry list of accomplishments we can catalog on a resume. It's about how we tackle the challenges we face, whether it's a system glitch, unexpected adverse experience, losing a key team member or client, unwanted regulatory actions, higher capital requirements, or unanticipated expense reductions.

Unfortunately, recent injuries have put at least a temporary end to my head-standing exploits. No, thankfully I did not break any headstand rules referred to previously, and the pose was not the root cause. But I've had to shut that down, as well as the bulk of my physical practice, as I honor my body's needs and allow it to heal. I will go into all this in much more detail in the next installment of the series, as dealing with setbacks is a vital part of every aspect of life, not just yoga. ■



Rich Lauria, FSA, CFA, MAAA, teaches in the enterprise risk management program at Columbia University and is senior vice president and chief corporate actuary at Assurant Inc. He enjoys the challenge of integrating Buddhist and Eastern philosophy into the hectic demands of modern Western life.

ENDNOTE

- ¹ The first seven installments in the "Zen Actuary" series, "Balancing the Two Efforts," "Be Authentic," "Don't Just Check the Box," "Embrace the Chaos," "The Sands Are Always Shifting," "Letting Go of Self-Importance," and "Facing Employment Mortality" were published in the November 2013, February 2014, August 2014, November 2014, February 2015, May 2015, and November 2015 issues of *The Stepping Stone*, available online at www.soa.org/ld.

Leadership Inspiration: Creativity Through Constraints

By Alan Gard

Editor's Note: In the Leadership & Development Section's Leadership Inspiration Contest, entrants were asked to tell us what inspired them to be a better actuarial leader. Here is the winning entry from the "Other" category.

"Come," I said to Akila, my new team member. "Let me introduce you to the one who has taught me the most about leadership."

Akila followed. "What are the most important lessons you've learned?" she asked.

"There are many!" I responded. "The most important are ... ONE: Build a great team. Acting independently is important, but you are only as good as your support team."

"TWO: Make those around you better. Know when to challenge them. Definitely know when to support them, know when they just need to have a laugh."

We neared the door. "THREE: Innovate. Creativity flows from finding harmony in removing preconceptions and adding constraints."

Akila looked confused. "Constraints and creativity go together?" she asked.

"Think Apollo 13 after the tank blew. I bet those who helped get the astronauts home safely were never as creative as they were when they were limited to only the items in the capsule," I answered.

We reached the door. I opened it and invited Akila in. She looked around and saw only a 3-year-old playing with Duplo blocks and miniature Batman and Robin figures.

"Are we early?" Akila asked, puzzled. "Your mentor was going to be here, right?"

"You're looking at him," I responded knowingly. "Leadership comes in many shapes and sizes. My leadership inspiration hap-

Sometimes, you are inspired to be a better leader simply because you know you have to be.

pens to weigh only 28 pounds. That's my son, Alijah, and he inspires me to be a better leader every day."

I let that sink in a minute and then resumed, "Alijah has Down syndrome. His great team includes our family, therapists and many others. Granted, he didn't build the team. My wife worked tirelessly to do that. But his success will be a product of his own hard work and that of his extended support team. I've never seen someone inspire such positive feeling in others ... from strangers he waves at in the grocery store to knowing when to hug Mom or Dad ... he makes those around him better. And innovation ... he's been dealt a handful of constraints. Some are real. Some are forced on him by society. His life will be about removing preconceived notions and being creative in overcoming constraints."

Alijah laughed as Batman knocked some blocks aside. Akila smiled too. "I see what you mean, especially about the 'making others better' part."

"One question," she said. "You've talked about what you've learned from Alijah. That all sounds hard, not inspiring. What actually inspires you to be a better leader?"

Nobody had ever asked me that before. I thought for a while and responded, "It will be a hard road for Alijah. Substitute 'motivation' for 'inspiration.' Alijah's success will be dependent on the proactivity and advocacy of my wife and me. Some leaders are motivated by a natural proclivity; some by ambition. There's a fourth lesson I've learned from my experience with Alijah, rather than from him directly, that I should share. Sometimes, you are inspired to be a better leader simply because you know you have to be." ■



Alan Gard is an executive director at Aetna based out of Omaha, Nebraska. He is also vice chairman of the board of directors of the Nebraska Methodist College and a member of the board of directors of The Good Samaritan Society. He can be reached at argard@aetna.com.



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475 N. Martingale Road, Suite 600
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