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What Would You Do?
A Fresh Perspective?

By John West Hadley

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CHAIRPERSON'S CORNER
Foolish Trades

By Scott Randles

As actuaries, we are hired by our employers in part for our ability to make good decisions and to negotiate very complex "trades." We understand the trade-offs between risk and return, and can apply that knowledge to develop and price products, accurately calculate reserves, and solve complex financial problems.

How is it then that we often make "foolish trades" in our daily lives? These trades are often not very noticeable, but add up and impede our leadership and development more than we realize. These foolish trades may appear in both our professional and personal lives. We all make them.

Some examples might help. Here are a few of my own recent foolish trades.

1. Spending all my time arguing why I was "right" in a recent meeting, **instead of** accomplishing the shared goal of increasing sales

2. Complaining about how IT was not properly supporting actuaries, **instead of** partnering with them to find solutions to the problem

3. Becoming defensive when a reserve methodology was questioned, **instead of** challenging myself and my team to adapt and consider a change to best practices

4. Spending time caught up in email and attending an overwhelming number of meetings, **instead of** leaving open time to catch up with members of my team

5. Listening to sports talk radio while driving my daughter to school each morning, **instead of** choosing to spend that time encouraging her through the very real challenges of middle school

6. Attending a late work meeting that I did not need to attend mainly to be "seen," **instead of** spending time with my family

7. Choosing to be on my phone, **instead of** exercising

As I look over this list, these seem like easy trades and choices to make. After all, I want to be known as a leader who can set and then accomplishes goals, is driven by solutions, can handle constructive criticism, prioritizes people over email and electronic devices, is a good father to my daughters, and has a healthy lifestyle. So why do I make these foolish trades? A more important question is this: How can I stop making them? Of course, the answer is complicated and will not be the same for everyone. But there are answers.

For me, it starts with identification and accountability. Keeping a list and reviewing foolish trades that I have made in the past helps me to realize and identify them when they arise and hold myself accountable. In addition, asking for feedback from people in my personal and professional lives has helped me to identify foolish trades that I might not have otherwise noticed.

Development of and maintaining a reputation for being transparent as an actuary and in your personal life take work but are another crucial step to eliminating foolish trades. It may seem obvious, but it is important to realize that when you are going to do something you don't want certain people to know about, it is almost always a foolish trade. Course-correcting at this point is essential. We often make the foolish trades that much worse by the "cover-up," where instead of owning a mistake, we try to justify or hide it. This will most definitely lead to more foolish trades. There have been many high-profile examples of this in the business world lately that have led to disastrous results. Any examples or people come to mind where emotions ran unchecked and foolish trades were made? Certainly, breaking the cycle after the first wrong choice and defusing the situation as soon as possible are crucial to reducing future foolish trades.

You might ask: How does this relate to actuarial leadership? Well, I think we would all describe an ideal actuarial leader as someone who makes wise trades in all areas—in judgment, in dealings with other actuaries, and in personal life. Take a few moments to think about a few foolish trades that you habitually make, and set up a method of accountability to stop them. It can be easy for your habits to control your actions. You need instead to intentionally act and make changes to keep the same foolish trades from recurring. This is not that hard to do, but it is also easy not to take the first step.

Finally, another of my foolish trades was choosing not to volunteer in my community as much as I would like, due to busy demands from work and travel. Since this was a goal of mine to change, I wrote in my last Chairperson's Corner that I committed to find at least one new way to volunteer to help hold myself accountable.

I recently took time off work to participate in a beach clean-up event. While it was not easy to make time for this event and I did have to miss some meetings, I found this to be the right trade, and the experience to be extremely rewarding. Not only did I feel that the work had an impact on the safety of the community, I connected with—and learned from—the people I was working alongside far more than I expected. Thus, this positive trade-off will lead me to participate in more volunteer events in the future. I can also honestly say that if I had not written down this goal earlier in the year, I probably would not have made the time.

What foolish trades will you change? ■

Scott Randles, FSA, MAAA, is the chairperson of the Leadership & Development Section Council and is an actuarial director at Allstate Benefits in Jacksonville, Florida. He can be reached at *srandles@allstate.com.*

The **Leadership & Development Section** is excited to announce the debut of a digital version of this newsletter at ***thesteppingstone.soa.org!***

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WHAT WOULD YOU DO?
A Fresh Perspective?

By John West Hadley

Here is our next entry in the *"What Would You Do?"* series.[1] Write to me at *SteppingStone@JHACareers.com* to tell me what you would do. In the next 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. Share your own thoughts (pro and con) on the series as a whole at *SteppingStone@JHACareers.com*.

A FRESH PERSPECTIVE?

Central Life's chief actuary, Tom, is a disability actuary with many years of experience in the business. He has noticed a disturbing trend in their disability experience that makes him wonder if reserve strengthening may be needed in the near future. They do not currently have a robust administrative system for that line, and simply rely on running totals of year-by-year premiums and losses to assess its performance. Standard demographic data (issue age, etc.) is completely absent. Consequently, Tom doesn't believe there is enough credibility to the data to justify such a significant action.

Walt is the head of Central Life's actuarial department, reporting to Tom. He has been thinking about ways to enhance the data produced to support all of the product lines, and particularly disability, but has so far received a lukewarm reception due to the effort required.

James is corporate actuary of Central Life's parent, also with many years of disability expertise. He's seen the same trend, and is concerned that Tom is not taking action. It feels like Tom has a laissez-faire attitude toward the issue, and James and another actuary very familiar with Central Life's operations come down to assess the situation.

All four sit in a conference room to look at what data exists, what conclusions can be drawn, and whether it is time for action. After much discussion, Tom states the same argument he has made many times, that the data doesn't yet justify any action, and that they simply need to wait for more experience to develop. He insists that no action can be taken until at least the following year.

James has a thought: Why not build an entirely new database, linking data from new business applications to premium/loss data that already exists? This would require a team to dig into tens of thousands of manual applications to key the data, and it isn't clear to him where those resources would come from.

If you were James, would you bring this up? When and how? Or would you address the issue some other way? ∎

John Hadley is a career counselor working with job seekers frustrated by their search and professionals struggling to increase their visibility and influence. He can be reached at *John@JHACareers.com* or 908.725.2437. Find his free *Career Tips* newsletter and other 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 "A Difficult Discussion"

By John West Hadley

I n the March issue of *The Stepping Stone*, I posed the question *"What would you do?"* to the following work situation faced by an experienced actuary. 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*.

A DIFFICULT DISCUSSION

Sam is a senior VP, and Jonas is VP and actuary who reports to him and runs the actuarial department. Stuart is an actuary in that operation many years Jonas' senior, and Sam likes him. Stuart comes to Sam to ask him to sign a software purchase agreement, because Jonas is out of the office and has been slow to act on the purchase, which will support a new application Sam is developing.

Sam is out for a few days, and when he returns the next Monday, Jonas is already on vacation for the Christmas holidays. Sam gets angry when he finds that Jonas asked the CIO to hold the purchase agreement until his return. He calls Jonas to tell him that was inappropriate, and to report to his office first thing upon his return.

If you were any of the principals in this situation, would you have done anything differently? And what would you do next?

Several respondents felt Sam clearly overreacted, as captured here:

Sam should not have allowed Stuart to go over Jonas' head, but it need not have caused a firestorm. Jonas did not cancel the order; he only delayed it until he could discuss it with Sam. Sam should have respected that. Nothing in the scenario indicates the purchase is urgent; Sam should have waited for Jonas to return and let him explain his misgivings about the purchase.

And one made an excellent additional point—after all, Sam did pick up the phone to call Jonas about having a meeting …

In the end, Sam has no business making a decision on the matter unless it is a make-or-break situation. And for that, there's always a phone to be used to contact someone who's on vacation.

Here's one actuary's take on their lack of respect for the chain of command:

Stuart had already discussed this matter with Jonas who was slow to act. Stuart took advantage of Jonas being out to go above his head and get his request approved. Jonas made the same error by holding up a purchase that his boss had already approved while he was out. Lack of communication and too much backdoor activity all around.

If Stuart was not satisfied with Jonas' lack of action, his discussion with Sam should have been about the best way to get Jonas to approve the purchase, not to go over Jonas' head. If Jonas felt he needed to put the purchase on hold, he should have notified Sam via email the reason he did this, and why it was important to him.

It is not always easy to defer to your boss if you do not agree with the decision. But if it is something that is really important to you, it is your responsibility as an employee to make this clear and state the reason for it. Use your connections to influence your boss's decision, but not to go around or circumvent him or her, for doing that will surely be the beginning of the end of a productive working relationship.

> It is not always easy to defer to your boss if you do not agree with the decision.

This actuary gave Stuart a bit of a pass on going over Jonas' head, if Jonas had not specifically told him not to:

I assume Jonas had to do this because he has a history of Stuart going above his head to Sam. I will also assume that Jonas has had clear and direct conversations with Stuart on this and even documented that in weekly one-on-ones, performance reviews, and so on. If Jonas has never talked to Sam about this, then Jonas can't get mad as he has never given clear direction on how he wants things to work in his area (go through me, go directly to my boss, combination of both depending on what it is, etc.) and—most important—why Sam needs to operate this way.

I am also assuming that Jonas had had these conversations with Sam. If not, then he needs to have them immediately. Without

clear communication and expectations, it is no wonder that this is not a well-functioning workplace.

If Jonas has never had these conversations, then he has no one to blame but himself and needs to begin that day with setting expectations.

And provided a road map for how Jonas should conduct himself in the meeting with Sam, and then with Stuart:

First, Jonas, remain calm. Explain how you have asked Sam to support you (cite previous conversations/examples/etc.) and that he is undermining your authority when he does this. Share what you had wished Sam would have done: told Stuart to wait and address the purchase with you when you got back. Try to get Sam to empathize more with an example of how he would feel if you did this to him—went to Sam's boss instead of Sam over noncritical matters.

Formally reprimand Stuart and state your disappointment in him. Ask why he did this and whether he can work on your team, respecting your role. If he can't, he needs to go. If he agrees he can, create a performance plan to monitor that he can do this over the next three months … and if he does it again, fire him.

This actuary felt the case illustrated a few important management principles:

Sam mishandled the situation. If you do not want subordinates ignoring the chain of command, then you must respect it. When Stuart comes to you, explain that the ball is in Jonas' court and before you will consider anything, Stuart needs to bring Jonas with him.

Jonas seems to be acting in a passive-aggressive manner, delaying instead of approving or denying Stuart's request. Jonas needs to make the decision in a timely fashion. He compounds the problem by vetoing Sam's decision.

Stuart should think long and hard before usurping the chain of command. If he is not happy with Jonas' actions, he needs to express his feelings to Jonas first, and then—only with Jonas' full knowledge—continue up the chain.

At that meeting, Sam should apologize to Jonas for his actions and coach Jonas about his passive-aggressive behavior. Then both should apologize to Stuart. At that point, Stuart should recognize his errors as well and the three of them can discuss the merits of the software package and resolve the situation.

This respondent likened this to a common family situation, with plenty of blame to go around:

My first thought is that this feels a little bit like the kid asking Daddy for something when Mommy is not home. Maybe Mommy has already said no.

The bottom line is that Stuart said Jonas has been dragging his feet, but Sam does not know why and does not really know if this is the whole story. Perhaps Jonas is looking for a better solution than having Stuart develop a new application. Perhaps he is negotiating a better price. Sam should not have signed off without talking to Jonas. I would question why this needed to be signed off on so quickly. Unless there was a compelling reason, I would have met with Jonas first before signing off.

I don't have a problem with Jonas putting the order on hold if he had a good reason, except that he did not even bother to tell Sam and that was inappropriate.

Finally, when the dust settles, whether I were Sam or Jonas, I would have a talk with Stuart. Going behind someone's back to get an approval without the other person in the loop is a bad move. It shows a lack of respect for the other person, and their position.

And if I were Sam, I would have a talk with Jonas about why I was not being kept informed of all of this to start with.

This actuary pointed out the need for particularly good communications around vacation time:

When leaders go on vacation, they should provide an update to their boss and staff on status of projects and any potential open items that may come up, as well as assign a deputy to act on their behalf for critical issues. All three people did not seem to do this. If Stuart's need for approval was time-sensitive, he should have resolved it or raised it before Jonas left, and Jonas should have updated Sam via email to his subsequent action before he went out for the holidays.

And this one noted that Jonas' motives were important in assessing the situation:

If Jonas held the contract out of real concerns for the company, then I think it was appropriate. If he held the contract out of a hurt pride for being bypassed, then that was the wrong decision.

WHAT ACTUALLY HAPPENED?

One aspect on which I expected a comment was that Sam interrupted Jonas on his vacation to tell him he had done something wrong, and that they would be meeting about it first thing on his return. This strikes me as telling about Sam's management style. Perhaps if I had added that he actually told Jonas he would not like the discussion?

Jonas felt a cloud over the rest of his Christmas holidays, worrying about the coming meeting. On Monday, Sam told him that this was not the first time Stuart had come to him about Jonas. He had finally lost his patience, and Jonas needed to get out of Stuart's way. He didn't give Jonas any chance to explain himself, and told him he was acting like an administrator rather than a leader. He said they would now be meeting frequently, and Jonas would either shape up or be put on official corrective action.

Jonas thought about what Sam had said. This was the first indication of dissatisfaction with his performance, and he hadn't been aware that Stuart and Sam had been talking about him. He realized he had been neglecting to explicitly communicate his accomplishments (and those of his unit) to Sam on any regular basis, and he resolved to put together a weekly results report. He released the first one the next Monday, and that seemed to have the desired impact: Sam never requested any follow-up meetings on his performance, never put him on corrective action, and his next performance review showed him "meeting all expectations."

Stuart seemed satisfied with having gotten his software package, and his models absorbed his time and energy. Jonas was careful in his dealings with Stuart, and they had a cordial, professional relationship going forward.

Some time later, Sam left the company and Jonas was promoted to chief actuary. ∎

John Hadley is a career counselor working with job seekers frustrated by their search and professionals struggling to increase their visibility and influence. He can be reached at *John@JHACareers.com* or 908.725.2437. Find his free *Career Tips* newsletter and other resources at *www.JHACareers.com*.

DIVERSITY SPOTLIGHT
Male and Female Leadership: Embracing Diversity

By Lori Pizzani

M en and women are different in many ways. But do their leadership philosophies and styles differ? In general, the answer is yes. The precise differences are founded in a dose of reality mixed with a great number of perceptions.

A January 2015 study from the Pew Research Center, a nonpartisan fact tank based in Washington, found that women and men are seen as virtual equals on key corporate leadership traits that include intelligence and capacity for innovation.[1] Women, however, were viewed as being "stronger than men in terms of being compassionate and organized leaders." In addition, women were seen as being considerably more honest and ethical, more inclined to provide fair pay and benefits, and better at mentoring employees than their male counterparts in leadership roles. Men, however, were viewed as being notably better at negotiating deals as well as being more willing to take risks. The Pew study was based on a November 2014 survey of 1,835 adults that included nearly equal numbers of men and women.

In addition, research conducted by Bates Communications of Wellesley, Massachusetts, found that—although there are many differences *between* individual women—overall, women are typically rated higher than men in seven leadership traits that drive organizational performance. These include character traits such as concern, humility and integrity; substance traits like resonance (attunement to others); and style traits such as appearance, inclusiveness and interactivity. Across all 15 cited characteristics that comprise the proprietary Bates Executive Presence Index,[2] a research-based assessment model, men were rated higher in just one trait—restraint. Men and women leaders were seen as being on equal footing for assertiveness, authenticity, confidence, composure, intentionality and practical wisdom.

"Women tend to be better at social and emotional skills, and are often viewed as being stronger," said Suzanne Bates, founder and CEO of the company. Those social skills, including the ability to engage and align with people so that they willingly follow the leader, are recognized today as being critical to any leader's skillset. "Women are often a little more reactive than men and show emotions, but those can be good traits" as long as they are appropriate and not overblown, she adds.

Carol Vallone Mitchell, co-founder of Talent Strategy Partners, a consulting firm in the Philadelphia area, and author of the book *Breaking Through "Bitch": How Women Can Shatter Stereotypes and Lead Fearlessly*, acknowledges multiple gender differences among leaders.[3] For instance, women seek to achieve but their ultimate goal is not to gain power. "The underlying motive for women is what they want to achieve; it feeds their ego and they feel good about achievement," she said. "Men—not all, but generally—measure their success by

what level of their organization they have gotten to, how much they are earning, and how much money they control."

Vision is often a differentiator as well. "Women see the big picture and see trends," she said. "Men laser focus on the immediate need or problem and don't see beyond that."

In addition, one of the biggest differences Mitchell sees lies in men and women building commitment from individuals and the team. Women inspire commitment by setting up a two-way dynamic and inviting others' involvement, while men essentially establish a one-way dynamic that influences others to commit to them, the company or the group goals. "Women build commitment to help them connect with individuals on the team and connect others together," she said. "Men tend to come up with a shared enemy to rally around."

EARLY IMPRESSIONS

Exacerbating the gender gap is the fact that as children, men and women are often raised differently. "We socialize boys and girls differently. Women are taught to socialize, to build connections. It all starts in the play kitchen in school," Mitchell said.

"Men are taught to be outspoken; women are taught to be empathetic," noted Katie Christy, founder and CEO of Activate Your Talent in Fort Bragg, North Carolina. The goal is to find the sweet spot—the middle fulcrum—where both masculine characteristics (taking command/charge and showing strength) and feminine traits (being intuitive, showing empathy and building relationships) can be incorporated, she counsels. She refers to this as "full spectrum leadership."

One obstacle is that perceptions of leaders still rely on persistent stereotypes and biases. Women encounter a common trio of stereotypes: woman as nurturer, woman as seductress or woman as saint, says Mitchell. "Women must bridge the expectations we have of them as women and the expectations we have as leaders," she said. That often means behaving "leader like, but feminine."

THE RIGHT STUFF

"Women in leadership positions often ignore their nurturing instincts, not wanting to 'mother' their employees," said Jodie Shaw, chief marketing officer with The Alternative Board of Westminster, Colorado. But this strength can prove vital. "Nurturing in the workplace is about deeply caring for your team's professional growth and giving members the tools and attention to help them reach their potential," she added.

In addition, women "often feel more comfortable asking for help than many of their male counterparts in leadership positions," Shaw said. "Being able to communicate and collaborate with

SIGNS OF SUCCESS
According to The Alternative Board, there are six qualities that successful women leaders typically possess:[4]

1. **A belief in oneself.** An unshakeable belief in oneself that does not manifest as an oversized ego is essential.

2. **A willingness to nurture.** This "soft" trait, combined with having a sense of being fair and just and possessing intuition, showcases strength.

3. **A focus on achieving one's goals.** Maintaining a clear vision of the objectives and desired achievements/outcomes, both in the short term and for the long haul, is important.

4. **Building and leading teams.** Women follow their instincts to favor a team approach, and leverage their intuition to discern and resolve conflict within a team.

5. **Willingness to question the status quo.** In seeking solutions, women leaders often feel the need to challenge the status quo and may be more willing than male leaders to push back against convention.

6. **Unafraid to ask for help.** Women leaders often feel less inhibited about reaching out for input and guidance as necessary, and seek insights and feedback from other leaders.

others to get the job done are definitely leaderships strengths." Further, "being positive and confident are the two more important traits of business leaders," she said. (See sidebar.) Business leaders often face rollercoaster rides and having a glass half-full mindset can help them navigate the ups and downs.

MAKING PROGRESS?

Despite tangible skills and overall perceptions that women are equally as strong leaders as men, a great number of women have not yet shattered the corporate world's glass ceiling. According to Pew, only 5 percent of Fortune 500 companies' CEOs in 2017 are women.[5] Although a new milestone has been reached for women serving as C-suite leaders, a mere 27 women hold this top spot. Marry Barra is the CEO of General Motors, the largest company boasting a female chief executive, and is the world's first female top executive of an auto manufacturer.

According to data compiled by Catalyst,[6] the leading nonprofit women's workplace inclusion organization headquartered in New York, businesses globally are headed in the right direction, but very slowly. Catalyst found that women held less than one-quarter (24 percent) of senior roles across the world in 2016; an increase of 3 percent from 2011. In the United States,

business leaders are still overwhelmingly male. While women represented nearly one-half (46.8 percent) of the labor force in 2015, a lesser 39.2 percent of all managers were women; predominantly across medical/health care and human resources occupations. Catalyst concluded that women may not reach status parity with men until 2060.

How does this translate across the narrower actuarial profession? According to recent census data conducted by the Society of Actuaries, as of December 2016, less than one-third of members (28.8 percent) were female, while 62.8 percent were male (another 8.4 percent did not provide information). An analysis of this data shows that this split has not budged much since 2011.

ACTUARIAL PROFESSION: A DIFFERENT ANIMAL

A career as an actuary is unique in that many companies place actuarial professionals on a rotational program that exposes them to different areas/departments. As they take and pass each in a series of actuarial exams over a number of years, they achieve successive credentialing and are often rewarded with raises and advancements. Along the way, they typically receive management and leadership training.

While that actuarial career track can be rewarding and offers a transparent path to ascending the corporate ladder, some actuaries point to a definite glass ceiling in companies still harboring a bias toward the best top leadership candidate being a man. Others acknowledge that once they completed their rotation, achieved the highest credentialing, and successfully stepped up to higher leadership roles, they reached a plateau. Still others, including those who have stepped out to work within the consulting world, confess that the same rules don't apply to them and advancement into the upper leadership stratosphere can be more difficult. Still others have not encountered any obstacles.

"I went into a profession that offers a clear path for careers," said Gina Collopy O'Connell, chief risk officer at The Phoenix Companies, a Nassau Re company, in Hartford, Connecticut. It is dictated by exam progress and you are judged by your credentialing; you are on an equal footing with everyone else, she said. "It's very gender neutral. I don't see challenges." The seven years it took her to successfully complete her rotation essentially set her up for a managerial role, although she noted that some expert actuaries prefer to pursue a technical role and stick with that career path. "It's up to the individual as to which to pursue."

Karen DeToro, vice president and actuary, Product Marketing and Underwriting at New York Life in New York City, said that she hasn't experienced gender limitations. She does, however, acknowledge that she is often one of the few women in a meeting. She believes this is more of a reflection of the overall business environment that continues to grapple with gender diversity rather than a reflection on the actuarial profession. "I have been employed by many different employers and a consulting firm, and I never felt there was a barrier," she said. It's your credentials and other skills that can propel you upward regardless of your gender or background. "Credentials are the great equalizer," she added.

To help other actuarial women at her company, DeToro serves as the mentor for a Peer Leadership Circle program that includes eight women and meets once a month. She lets them set the agenda, raise issues, and drive topics for discussion, including how to network and how to advance to the next level.

Mentoring is also something that Alice Rosenblatt, health actuary with AFR Consulting of Palm Desert, California, likes. "I've enjoyed mentoring women. I would encourage others to do the same," she said. Over the years she has seen the good and the not-so-good side of being a female actuary. "I think being in the actuarial field offers a great opportunity to then be promoted into a leadership position," she said, adding that she was lucky as she had once worked for a great CEO who fully supported a meritocracy no matter the leader's gender. But she's also seen the dark side. "I left a company once because I was passed over for a promotion I believe I deserved," she explained. "When I first started in 1971 only 5 percent of actuaries were women, but that's now greatly increased. It's better now." ∎

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ENDNOTES

1 January 2015. Pew Research Center Leadership Survey results/study. *http://www.pewsocialtrends.org/2015/01/14/chapter-2-what-makes-a-good-leader-and-does-gender-matter/*

2 Bates Executive Presence Index (Bates ExPI). Bates Communications. *https://www.bates-communications.com/what-we-do/executive-presence-assessment*

3 Talent Strategy Partners. *Breaking Through "Bitch": How Women Can Shatter Stereotypes and Lead Fearlessly. http://www.tsphr.com/*

4 The Alternative Board. Six Qualities of Effective Women Leaders. *http://www.thealternativeboard.com/6-qualities-of-effective-women-leaders/*

5 March 2017. Pew Research Center data on women leaders. *http://www.pewsocialtrends.org/2017/03/17/the-data-on-women-leaders/*

6 Catalyst.org. Knowledge Center/Women in Management. *http://www.catalyst.org/knowledge/women-management*

BUSINESS MANAGEMENT
Remote Management: Tips for Success

By James Clark

With unemployment rates across the country continuing to drop, employers are finding traditional talent pools increasingly constrained. One solution is to look toward remote workers and managers. By employing effective management techniques, companies can be rewarded with a broader pool of prospective talent, better employee retention and increased productivity, and can also create value for the company.

According to *GlobalWorkPlaceAnalytics.com*, 20 to 25 percent of the U.S. workforce teleworks, while as much as 50 percent hold jobs that are compatible with at least some level of teleworking. Many actuarial positions and other associated technical professions such as underwriting are amenable to the option to work remotely, if the situation is set up properly. I have been working remotely for LifeMap Assurance Company (a Cambia Health Solutions company) for the past five years from my home in southern Utah. During that time I have gone from holding an individual contributor role to managing both the actuarial and the underwriting teams with members in New Jersey and Oregon.

The essential skills and tools for successful remote management are not drastically different from those used with more traditional teams. However, some key adaptations are required to ensure maximum efficiency. These tools are necessary the moment there is any separation of location between a team member and manager. Once that threshold is crossed, responding to the challenges that arise as a remote manager is really only a matter of degree.

In my experience, there are several important core elements to being a successful remote manager.

HIRING PRACTICES

Successful remote management begins with careful screening of potential employees for characteristics that will lead to their success, and consideration of the environment in which they will work. If an employee's location or work circumstances are not conducive to having a remote manager, not only will the employee be dissatisfied, the manager will find providing the necessary support both difficult and time-consuming.

Remote employees need to be able to work independently and have strong ethics. These are desirable qualities in any hire, but the need to identify them in the hiring process is more critical when the manager is remote.

Consideration should be given to the level at which the employee is working. With entry-level employees, working within an office environment with the support of co-workers and peers is generally beneficial, and will help with their career growth.

TECHNOLOGY

In order for remote employment arrangements to thrive, companies must invest in a certain level of technology. Most important, remote managers need to be able to link into company systems and work from their home office in such a way as to appear to be in the office to their co-workers. If this isn't achievable, effective electronic substitutions need to be made available. Instant messaging, video conferencing, web meetings, screen sharing, phone, email and shared network drives all go a long way in helping remote managers feel connected to their team members. The manager needs to use all of the tools available to maintain connections to the team members and stay on top of any needs that arise.

PERSONAL CONTACT

A remote manager needs to make extra efforts to stay personally connected to employees. Regular one-on-one meetings either by phone or video conferencing are critical. This will take time out of a manager's day, but is in part made up for by less time spent away from his or her desk. As with any manager-employee relationship, regular conversations are important in keeping track of progress on work projects and providing assistance and training as necessary. They also offer the opportunity for more personal conversations that help in building a bond of trust—another critical element of success for remotely managed teams.

TRUST

Working as a remote manager requires a bond of trust between the employee and manager. A remote manager needs to make a continuous effort to build trust in and with employees. Trust is developed by regular contact, follow-up, mentoring, encouragement and allowing team members to grow and feel a sense of ownership in their work.

FACE-TO-FACE MEETINGS

Even the best technological advantages and most effective remote managerial techniques can't replace an occasional face-to-face meeting. The timing and frequency is naturally subject to company budget constraints. As a remote manager, I have found that being able to meet with teams in the home office on a monthly basis is beneficial. For remote workers that are widely scattered, I have found benefit in an annual in-person visit, at a minimum.

HOURS

Remote work allows schedule flexibility, which is one of the main attractions of this arrangement. However, business needs and regular office hours are important. A remote manager will have the best success in managing a team by being online and working during hours that generally match those worked by the bulk of his or her team. A remote manager needs to be willing to work hours that may start early or run late in order to accommodate the needs of the team.

Through active efforts to connect with, mentor and follow-up with team members, a remote manager can find success with a productive team that brings additional value to the company. ∎

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BUSINESS MANAGEMENT
Project Management: Calming the Chaos

By Doris Orr

Take a moment to recall a project (change initiative) that you were involved in ... how did it go? Was it smooth sailing or was there carnage along the way? (Pretty graphic, but you get my drift!) Was it successful? If you answered YES to this, whose definition of success was used as a measuring stick?

I'd like to tell you about a really big, really important project. But not all the key decision-makers knew the same key information … bad mistake!

A large international company had a subsidiary that it wanted to sell. One condition was that the subsidiary complete its multinational implementation of its new sales software. This information was not broadcast broadly—actually it wasn't even broadcast narrowly.

The project manager (PM) was told of this strictly confidential condition of sale. The country managers were unfortunately not told. The PM was told that success was getting the software installed in all countries in which the multinational operated … whereas the country managers defined success as getting what they wanted as part of the software implementation.

As you can imagine, this truly was a no-win project. Fast-forward to the end of the story: The subsidiary was sold as the condition of sale was met. The executives and the project team were relieved that they fulfilled the condition, which resulted in the successful M&A transaction. But, the country managers and their staff were dismayed with the utter failure of the project, as they did not get what they wanted as part of the software implementation. The end result was that the project was over budget and various key deadlines were missed along the way, which caused even more budget overruns. And a significant amount of rework was required by the new owners to make the system function effectively. Just imagine how different this story could have ended!

Lessons learned in this story: What worked well? What didn't work well? What could have calmed the chaos?

The PM and his team followed a solid project methodology: starting with the *initiation phase* (defining the need for the project), followed by thorough *planning* and *execution phases*, ending with a *wrap-up* celebration that the company had fulfilled its condition of sale.

The *initiation phase* is the critical component of any change initiative. The more compelling the reason for the change, the more easily the change will be accepted. This lays the groundwork for all the other phases—it's either a strong foundation or a weak one. It's really that simple.

This story shows how critical the impetus for change was, as the sale of the subsidiary was riding on this. However, excluding the right people (country managers) with the right information (condition of sale) created chaos that could have been avoided. Without knowing this key compelling reason for the change, the country managers and their teams chose to avoid the change both passively (pretend it's not needed or that it's not happening) and actively (fight it).

What was missing? Communication, trust, a common goal, and a common definition of success versus different motives for the change (from a "what's in it for me" perspective).

What could have calmed the chaos? People want to be valued. People want to be heard. People want to be part of a winning team. Communication is key to calming the chaos. Communication could have closed the gap for almost all the missing pieces. The country managers needed to be able to understand the criticality of getting the software implementation completed. One simple way of extending the confidential information to the country managers could have been through an internal non-disclosure agreement (NDA).

But what about trust? Trust can't be handled through signing a legal document. It's something that takes a long time to establish. Like Stephen Covey (author of 7 *Habits of Highly Effective People*) suggests, an emotional bank account is a necessary component of every healthy relationship—both professional and personal relationships. It takes a long time to build up a robust balance in the emotional bank account, but this can get eroded oh-so-quickly through a single action.

Imagine how this story could have ended if all stakeholders felt valued and trusted and were driven by the same compelling reason.

Figure 1 shows both the positive and negative ways that people can choose to deal with change initiatives. The country

managers chose avoidance—both passive and active avoidance. Imagine how different things would have felt for them if they were part of the inner circle, if they knew the compelling reason, the need for the quick software implementation? The country managers would more likely have embraced the change, supported it, and become effective change leaders with their staff.

Figure 1
Positive and Negative Ways to Cope With
Change Initiatives
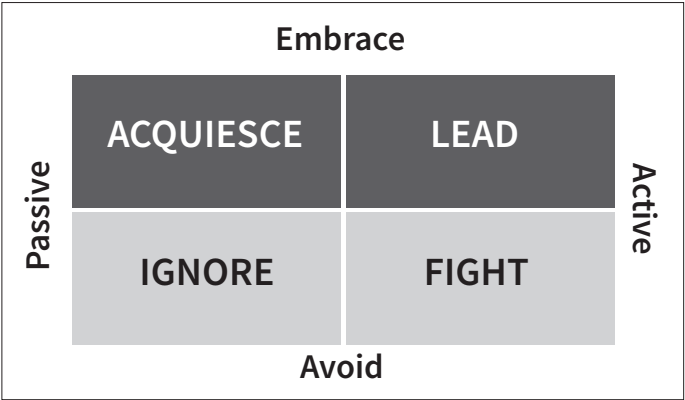
The *planning phase* is both an art and a science. Some advice here is to hope for the best but plan for the worst. Well not quite, but there is huge value in building a buffer into the components of the project where there is the most uncertainty. For example, when building a house, below ground has the highest degree of uncertainty as you don't know what is sub-surface until you start digging.

The most common project tools to set up in the planning phase—and then to use/review/edit during the execution phase—are designed to help all interested parties know how the project is tracking versus plan. These tools include:
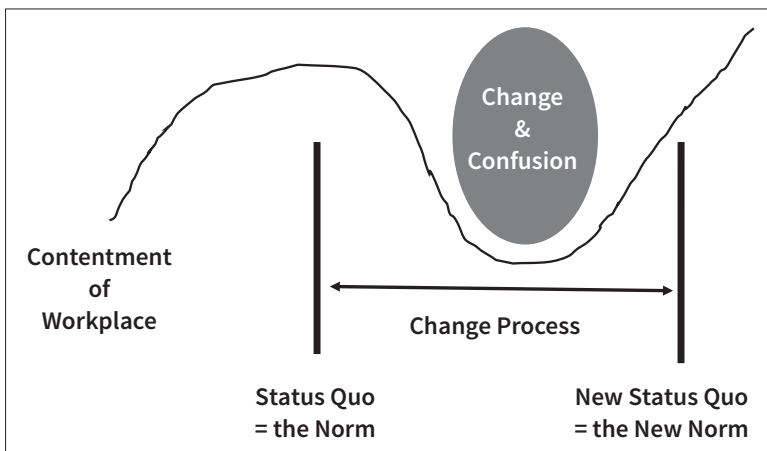
- Clear project plan with clear responsibilities and clear deadlines and clear milestones

- Budget of hours/days and dollars

- Communication strategy to make sure that each stakeholder group is getting the right information at the right time

- Escalation strategy that outlines how impasses are handled throughout the project

Even when all the project tools are in place and working effectively, there is a need to recognize the life cycle of a project, as depicted by the Figure 2. Even when a project is running smoothly, many people will cling to status quo.

There is a point in each project called the "valley of tears" where people recognize that they can no longer cling to status quo. An effective communication strategy will recognize the need for stakeholders to feel seen, heard and understood during this low point. An effective communication strategy will help all stakeholders recognize that there is something valuable in their new post-change world. After enough time has passed with the new change in place, the new world becomes the new status quo, which will be clung to the next time a change is introduced.

The *wrap-up phase* is a hugely critical component of any learning organization. This is where we focus on the important

> An effective communication strategy will recognize the need for stakeholders to feel seen, heard and understood during this low point.

versus the urgent. Covey covers this concept in his book 7 *Habits of Highly Effective People*, indicating that as we make a disciplined attempt to focus on the important activities, we reduce tasks that become urgent. Conversely, if organizations choose to not spend time learning during the wrap-up phase of a change initiative, then future projects may end up increasing their urgent tasks … an avoidable result!

A thorough wrap-up phase lays the groundwork for greater successes in subsequent projects. It's easy to ignore this phase, but it's hugely valuable to embrace it. Learn from what you've just gone through. Learn from what you did well. Learn from what you didn't do as well as you would like. And celebrate that you got your stakeholders into the beginning of a new status quo. ∎

Editor's note: Watch for the next article in this series, in which Doris will share key insights to ensure true success for your projects—success for your organization, your people and you.

- Critical path map that informs the required sequence of project activities to optimize the chances of a successful—on time and on budget—deliverable

The *execution phase* is in many ways the easiest part of a project, but first the foundation has to be established in the initiation phase with a strong compelling reason. Project sponsors (executives in charge of the project) need to successfully rally the troops around them into one cohesive team, with one common definition of success … then, and only then, will the execution phase be made simple.

Figure 2
Emotional-Rollercoaster-of-Change Life Cycle

Change & Confusion

Contentment of Workplace

Change Process

Status Quo = the Norm

New Status Quo = the New Norm

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CAREER DEVELOPMENT
A Lesson From Benjamin Franklin

By Carlos Arocha

Samuel Johnson said, "*The chains of habit are generally too small to be felt until they are too strong to be broken.*" Habits are what really make us, but first *we* should make *them*. Actuaries should know the wisdom of this piece of advice, for the ability to write rigorous examinations must be developed out of sticking to good habits. Or so was my own experience.

Many authors have written about self-discipline and habit creation. Countless books in the "self-help" section of your local bookstore deal with the subject. But an excellent source of inspiration is Benjamin Franklin's autobiography, a tome that is not easily found in those shelves, but that can be downloaded for free from the internet.[1]

> Franklin even suggested a methodology for observing these virtues, in what could very well have been one of the earliest applications of a spreadsheet.

Claude Fischer, a *Boston Review* columnist, said that a theme commonly found in self-improvement books is the following: "*you can become a more moral, more loved, more fulfilled person if you humble your pride, sternly examine your habits, and then systematically fashion a better self.*" How can one stick to good habits? Often, ideas come from texts that have been long forgotten, that are not sold as "best-sellers." I must admit that I discovered Franklin's advice recently, after reading his biography by Walter Isaacson.[2] I was then prompted to read the autobiography.[3]

Benjamin Franklin, one of the Founding Fathers of the United States and a renowned polymath, knew about the importance of arriving at moral perfection.[4] In his autobiography, he wrote, "*I wished to live without committing any fault at any time;*

I would conquer all that either natural inclination, custom, or company might lead me into." He realized the difficulty of achieving such a lofty goal, and thought of ways of making it happen. The outcome was a system to track progress in observing the following 13 virtues and their precepts:[5]

1. **Temperance.** Eat not to dullness; drink not to elevation.

2. **Silence.** Speak not but what may benefit others or yourself; avoid trifling conversation.

3. **Order.** Let all your things have their places; let each part of your business have its time.

4. **Resolution.** Resolve to perform what you ought; perform without fail what you resolve.

5. **Frugality.** Make no expense but to do good to others or yourself; that is, waste nothing.

6. **Industry.** Lose no time; be always employed in something useful; cut off all unnecessary actions.

7. **Sincerity.** Use no hurtful deceit; think innocently and justly, and, if you speak, speak accordingly.

8. **Justice.** Wrong none by doing injuries or omitting the benefits that are your duty.

9. **Moderation.** Avoid extremes; forbear resenting injuries so much as you think they deserve.

10. **Cleanliness.** Tolerate no uncleanliness in body, clothes or habitation.

11. **Tranquility.** Be not disturbed at trifles, or at accidents common or unavoidable.

12. **Chastity.** Rarely use venery but for health or offspring, never to dullness, weakness or the injury of your own or another's peace or reputation.

13. **Humility.** Imitate Jesus and Socrates.

In his autobiography Franklin even suggested a methodology for observing these virtues, in what could very well have been one of the earliest applications of a spreadsheet:

> I made a little book in which I allotted a page for each of the virtues. I ruled each page with red ink to have seven columns, one for each day of the week, marking each column with a letter for the day. I crossed these columns with thirteen red lines, marking the beginning of each line with the first letter of one of the virtues, on which line and in its proper column I might mark by a little black spot, every fault I found

upon examination to have been committed respecting that virtue upon that day.[6]

Franklin determined to give a week's strict attention to each of the virtues successively. Thus, in the first week his great guard was to avoid even the least offense against temperance, leaving the other virtues to their ordinary chance, only marking every evening the faults of the day. He then advised:

> And like him who, having a garden to weed, does not attempt to eradicate all the bad herbs at once, which would exceed his reach and his strength, but works on one of the beds at a time, and, having accomplished the first, proceeds to a second, so I should have, I hoped, the encouraging pleasure of seeing on my pages the progress I made in virtue by clearing successively my lines of their sports till in the end by a number of courses, I should be happy in viewing a clean book after a thirteen-weeks' daily examination.[7]

By adopting this method, one can go through a course complete in 13 weeks and four courses in a year.

The last piece of advice was to work with a black lead pencil, which marks "[he] could easily wipe out with a wet sponge."

I would recommend using a regular spreadsheet instead. ∎

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ENDNOTES

1   If you would like to receive a free digital copy, please send me an email at *ca@arochaandassociates.ch.*

2   W. Isaacson. (2004). *Benjamin Franklin: An American Life.* Simon & Schuster.

3   Franklin, B. (1791). *Autobiography.*

4   Top searches of "moral perfection" in Google give entries associated with Benjamin Franklin.

5   The original list contained 12 virtues; virtue no. 13 was added when "a Quaker friend having kindly informed me that I was generally thought proud; that my pride showed itself frequently in conversation; that I was not content with being in the right when discussing any point, but was overbearing, and rather insolent; I determined endeavoring to cure myself, if I could, of this vice or folly among the rest, and I added humility to my list."

6   *Supra*, note 3.

7   *Supra*, note 3.

PEOPLE MANAGEMENT
How Great Leaders Build Community

By Marcel Schwantes

Editor's note: In the November 2015 through November 2016 issues of The Stepping Stone,[1] *executive coach Marcel Schwantes outlined how great leaders display authenticity, value and develop people, and share leadership, and how to reconcile leading and serving—five of the foundations of effective servant leadership. Now Schwantes returns for the final part of his series, discussing how to build community.*

Building community within an organization encompasses many activities, but here are three basic practices of great leaders.

THEY DEVELOP STRONG PERSONAL RELATIONSHIPS

This means spending time with your people, and not for your own personal gain. This is about investing time with your most valued employees and managers to learn who they really are. But don't just get together over a latte to share hobby stories. The focus should be to deepen relatedness—by sharing information about yourself and the organization (transparency), showing that you care about them (empathy), and discussing your intentions openly.

The phrase "I must know you to grow you" rings true here. So get to know about their strengths, find out where their passions and gifts are, and consider how to apply them. You'll be surprised at how much more talent you may have under the roof that will benefit the company in new ways. Your marketing director may be a closet blogger with brilliant contributions to further your brand promise.

THEY WORK COLLABORATIVELY WITH OTHERS

Great leaders work together with others more than on their own—collaborating alongside their tribe members instead of separate from them. And they replicate that environment for other leaders to practice.

The best example of this comes from Richard Sheridan, CEO and chief storyteller of Menlo Innovations and author of *Joy, Inc.* In a recent interview, he shared how his "office" is really just a five-foot table strategically located in the middle of the room—an open-plan workplace. Yes, this is the CEO of one of the most innovative and productive software development firms in the country. No condo-size office with floor-to-ceiling windows with the best view in town—instead, he is right in the middle of the action, collaborating, engaging and innovating.

Sheridan says that "the team has full economy over the physical space. …They can change the space however they choose" according to how it will be most helpful to them in collaborating on a project.

At Menlo, sharing is caring. Programmers work in twos (sharing one computer) to allow for creativity as well as enthusiasm. Tandems stick together for five days and then shift into new tandems on new projects.

Because Sheridan cares less about status, position, rank and level, and more about innovation, creativity, culture and collaboration, Menlo has been named a top place to work for several years running.

THEY VALUE AND OPERATE WITH DIVERSITY

Great leaders celebrate differences and gain the strength that comes from differences in culture, race, ethnicity, personality type, gender, and individuality of style and expression.

They do this with one aim in mind: to build a healthy and productive work community where there is a steady flow and diversity of ideas and fresh perspectives that lead to results. Otherwise, what's the point?

They hold themselves accountable to make sure this is happening. For example, they will measure demographics in their talent pipeline of incoming as well as existing talent to promote people equitably. They will measure upward movement throughout management at each tier level all the way up to the C-suite. This helps to safeguard against the "boys club" or nepotism. They will have diversity councils in place to ensure diversity.

There is immense power in building healthy communities at work and connecting to people on a relational, authentic level. Why? Because relationships drive human satisfaction and performance. We are wired for it. When leaders pave the way, collaboration, productivity, trust and morale will reach new heights. ∎

Marcel Schwantes is principal and co-founder of Leadership From the Core, a provider of servant-leadership training and coaching. He is working on publishing his first book this year. Follow him on Twitter *@MarcelSchwantes.*

ENDNOTE

1 Available online at *www.SOA.org/ld.*

PEOPLE MANAGEMENT
Alone Together: Introverts, Extroverts and Team Dynamics

By Mitchell Stephenson

In 2012, Susan Cain, a former Wall Street lawyer and consultant, wrote Quiet: The Power of Introverts in a World That Can't Stop Talking. *Since then, she has spoken to audiences all over the world on the topic of introverts, their relationships with extroverts, and workplace dynamics. Cain's book reached No. 4 on The New York Times best-seller list, and her TED Talk is listed among the 10 most popular ever given. Here are highlights of her research and ideas from the TED Talk she gave in 2013, as well as an interpretation about how best to apply these concepts to actuarial leadership.*

Susan Cain's research has led her to conclude that from a third to half of all people are introverts.[1] Introverted individuals are those who often take pleasure in solitary activities, and are typically perceived as being more reserved or reflective. Extroverts, on the other hand, primarily obtain gratification from outside themselves.[2]

> Introvert and extrovert dynamics matter in the actuarial profession, in the way that we understand the environment that best allows our colleagues to thrive.

There's an old joke that goes, "How do you tell the difference between an accountant and an actuary?" Answer: "An actuary will look at your shoes while they are talking to you instead of their own." (Sorry, accountants.) There is no data immediately available regarding what percentage of actuaries are introverts, but the stereotype is that we are a largely introverted profession. For the sake of argument, let's assume it is more than half of us.

Introvert and extrovert dynamics matter in the actuarial profession, in the way that we understand the environment that best allows our colleagues to thrive. Introverts tend to recharge their internal batteries much differently than extroverts do. For example, an introvert may prefer to be alone and reading a book for an hour, whereas an extrovert will gain energy in a social setting amongst many people. In their own way, they each will feel rejuvenated at the end of that hour. In fact, one of the ways that personality assessments determine where you fall on the introvert or extrovert spectrum is to ask what situations make you feel most or least energized.

By recognizing that more introverted and extroverted team members may have very different ways that they prefer to interact with one another, leaders can put team members in the environment that allows them to feel the most comfortable and to generate their best energy.

Today, according to Cain, we are regrettably moving toward a culture that values extroverts and their skill sets, and often makes it difficult for introverts to succeed. One perfect example of this is brainstorming. This group activity often results in mirroring, when we tend to get behind the figuratively loudest person in the room. There may not be any correlation, however, between what that person is saying and whether we think it is right.

So how do we give our introverted employees—and ourselves—the best chance to succeed? How do we, as a largely introverted profession, find a way to overcome limitations that we place on introverts and encourage them to be the strongest contributors they possibly can? Here are some things you can do as a leader:

- **Give your team an opportunity to prepare for brainstorming sessions ahead of time.** The extroverts may enjoy the opportunity to collectively think together, but this can deter introverts from participating and fully contributing. If you want to get everyone together to share or collect their thoughts, ask them ahead of time to consider what you want them to discuss. This will encourage the introverts to be well-prepared to contribute on topics they have had time to think about.

- **Ask for input from your most introverted team members first.** In a group setting, it is often the case that after the first person speaks, the group tends to follow his or her tone. When you start with the introverts, the extroverted members of your team will likely have no problem jumping in later; but the other way around, it may be more difficult to tease out the better ideas from the introverted members.

- **Give your team some alone time, especially the introverts.** When you need something from a team member,

even if it is relatively urgent, ask how long he or she needs to complete it and if the instructions are clear. Your more introverted team members may prefer some time on their own to process and complete the task, while your more extroverted team members may seek to complete it collaboratively or get back together soon to ask questions or discuss the assignment. Be flexible in how you manage each employee by either preparing to work more interactively or waiting to get back together to review results. Adjusting your management style to accommodate each employee's preferred working style will give your team members the best chance to succeed.

- **Make sure to give each team member a chance to participate.** If there is an introvert on your team who has an opinion that you value, don't end the meeting without allowing this person to speak and contribute. Introverts may have a difficult time finding the right place to jump into a group discussion, even if they have something valuable to contribute. It is up to you as the manager to make sure to ask for, and receive, their feedback.

Ultimately, as leaders in a profession heavily populated with introverts, we must be aware of our strengths while understanding how to provide our teams—and ourselves—with the best opportunity for success. If you begin to think about how to engage both your introverted and extroverted employees effectively, you will increase participation, enhance collaboration on projects, and improve the overall team dynamics, all of which can lead you and your team to be more successful in the future. ∎

Mitchell Stephenson, FSA, MAAA, is a member of the Leadership & Development Section Council and can be reached at *mitchell.stephenson@ prudential.com.*

ENDNOTES

1 *http://www.thisisinsider.com/what-is-an-introvert-am-i-introverted-2017-3*

2 *https://en.wikipedia.org/wiki/Extraversion_and_introversion*

PERSONAL DEVELOPMENT
The Zen Actuary Installment 12: "Sharing and Celebrating the Practice"

By Rich Lauria

Author's note: This is part of a series[1] 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. These applications have been further refined for this series to address challenges frequently encountered by practicing actuaries.*

Installment 11 chronicled the first major obstacles of my struggle to overcome my natural resistance to the path of yoga teacher training, and what I learned from that. This installment concludes that epic saga of the training that I happily completed in 2016.

Much of the effort involved dropping my well-worn storylines about "I'm this, and I'm not that," and opening myself to the possibility that I might just be a bit more than what I thought I was. Through that effort, I began to realize that my practice could be much more than just 60 to 90 minutes of daily solitude, self-examination and sweat. What if I could share the benefits of the practice with others?

Even though I had come a long way, there was more resistance to deal with. I had to conduct three private sessions and teach three group classes to people other than those involved with the teacher training. This meant I would have to solicit others to help me complete the requirements. I thought jokingly, "Which friends and relatives do I risk ticking off?" However, the response I received when approaching others was a very pleasant surprise.

It started with my wife, Valerie, who suffers from chronic pain issues and had not had good experiences with yoga. She was willing to be my first experiment. I knew I had to customize a very cautious regimen that worked around Val's many physical limitations. But this is what teaching yoga is really about, working with the body as it is rather than imposing a standard regimen on everyone.

This point was emphasized frequently during the training, and we had been schooled extensively in gentle yoga variations. I carefully thought through a simple one-hour program, beginning with some simple breathing exercises and then slowly introducing basic movements that gently warmed up joints and glands. The program worked! Val was so happy with it that she asked for a second session and began to practice on her own.

A close friend also volunteered to do a private session. He too had tried yoga before with negative outcomes, usually hurting himself in some way. He also told me he was dealing with some chronic injuries, but was willing to do his part to help me get my yoga teacher certification. So I took it real slow with him, starting with an extended warm-up session and focusing on breathing. I had to adjust my plan part-way through to best suit his needs in the moment, and he very much appreciated the effort. Not only did the experience not cause him injury, he also claimed to feel much more relaxed and at ease for several hours after the session.

I began approaching co-workers about my requirements, and was genuinely humbled and thankful for their ready willingness to let me practice teaching them yoga. This involved taking time after work hours and walking over to Battery Park to do the session. Many of them had never practiced yoga before yet trusted me to introduce the concepts to them. And most of them walked away from the experience feeling good and wanting to further pursue the discipline.

My resistance was melting away. The dread of approaching people to take a yoga lesson from me had been converted into genuine awe and excitement at the opportunity to share this wonderful system I had grown to love. I realized through this process that sharing this gift was indeed the growth in my practice I had been searching for; I just hadn't realized it even though it was right there in front of me.

How often do we limit ourselves in our actuarial practice due to messages, sometimes quite subtle, that we tell ourselves? We've done pricing for most of our careers, so that's what we'll keep doing even if we don't find it as challenging and rewarding as we used to. Or we continue to work in a certain practice area because it's comfortable. Maybe we turn down that opportunity to advance because it involves managing people, and we've had challenges doing that in the past. I've observed that my mind can always find a reason to say no and avoid the unknown and uncomfortable. Fortunately, the universe has blessed my career with many people who have encouraged me to step out of my comfort zone, even though I often did not see it that way in the moment!

And that career growth opportunity is not always as obvious as a promotion with more responsibility and dollar signs. Often it

> It is this vibrancy and passion that continues to elevate and strengthen the profession, allowing its members to humbly serve the public in more varied roles and responsibilities.

comes from giving back in some way, sharing our precious talent for a cause outside ourselves and expecting nothing in return. The actuarial profession is well-renowned for its extensive army of volunteers, serving in capacities ranging from proctoring examinations to membership on industry committees to the growth of the Actuarial Foundation, the profession's flagship charitable organization that is supported financially and logistically by many actuaries. It is this kindness and generosity that takes the profession to another level. In this way, actuaries practice the "selfless service" that is a core theme of the Bhagavad Gita, an inspirational spiritual story that is a "must read" for any aspiring yogi.

Why practice yoga? Yes, the physical practices help the practitioner get healthier and feel better. But there are plenty of other valid exercise programs, so what is so special about yoga?

I believe it's what all of the practices—including physical poses, breathing, meditation, concentration, diet, moral code and personal observances—do to help the aspirant gradually settle the mind and find lasting peace. And bringing this peaceful mind out into the world influences a sense of calm in others. That is how a kinder, gentler world begins: going inward and discovering who one truly is, so that one can better serve others and in that process connect to something far greater and awe-inspiring. In that way one finds one's way in the world and experiences lasting joy.

Most actuaries I've worked with feel very fortunate and blessed to be in this remarkable profession. They love what they do and are passionate about their work. While they enjoy the financial rewards that the career has brought them, they have found the true reward comes from going within to create the work product that they bring to their colleagues, management, clients, regulators, and the public at large. And they have joy and peace in realizing their efforts serve to maintain the solvency of the critical financial institutions that rely on their minds and hearts. That is the yoga of being an actuary!

Yoga teacher training for me started with a desire to do better physical inversions like headstands, handstands and forearm balances. Thankfully, it grew into something far more meaningful and memorable. I graduated from the training program in 2016

and had the opportunity to reunite with the other trainees at the ceremony. While we all came from different backgrounds and life experiences, we all immersed ourselves in the program with a genuine desire to deepen our respective practices and share the joy of yoga with others. That common goal brought us together as a family, supporting each other through the many trials and tribulations we encountered.

And while yoga teacher training is a serious pursuit, there were also many amusing moments that lightened the journey. I'll never forget trudging down to the meeting room half asleep at 6 a.m. and finding the senior member of our group, Boris, a 65-year-old Russian native, piking his legs while standing on his head. I will always remember him simply as "The Phenom." Or doing group sing-songs of the Sanskrit alphabet—much like children sing the alphabet ("now I know my ABCs …"). Or being completely engrossed in doing a standing twist during an asana session outdoors with the sun setting, hearing the sound of water trickling down about three feet from me, and looking up and realizing it was a fellow trainer's dog urinating from a balcony above. Or the group being startled during an intense session on therapeutic yoga by a frog that had gotten in the room. Or the incredible bliss felt by giving each other leg massages. And those wonderful evening campfire chants.

I've also been fortunate to meet and work with many great actuarial professionals. Beyond their tremendous intellect and strong integrity, they all share a sense of humor and healthy perspective for what we do for a living. And through that network I've been able to experience many memorable moments as well. It is this vibrancy and passion that continues to elevate and strengthen the profession, allowing its members to humbly serve the public in more varied roles and responsibilities.

I am thankful I completed yoga teacher training. It not only has strengthened my yoga practice; it has opened my mind and heart to a new and more profound perspective on my actuarial practice.

It's more than just yoga. And it's more than just actuarial science. ∎

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ENDNOTE

1 The first 11 installments in the "Zen Actuary" series were published in the November 2013 through March 2017 issues of *The Stepping Stone,* available online at *www.SOA.org/ld.*

PERSONAL DEVELOPMENT
How to Increase Your Satisfaction at Work, Home and Everywhere You Go

By Doreen Stern, Ph.D.

I f you were going to calculate the odds of any one person feeling satisfied, what would they be? Fifty-fifty? Maybe higher? Or possibly lower? *How about the chance of you feeling satisfied?* And what, if anything, could raise the odds in your favor? To answer this question, I'm going to differentiate among pleasure, happiness and satisfaction.

HOW IS SATISFACTION DIFFERENT FROM PLEASURE AND HAPPINESS?

You might think I'm parsing words to distinguish among these three positive emotions. Yet leading scholars like Dr. Martin Seligman, the Fox Leadership Professor of Psychology at the University of Pennsylvania; Dr. Sonya Lyubomirsky, professor of psychology at the University of California, Riverside, and winner of the Templeton Positive Psychology Prize; and Dr. Gregory Berns, Distinguished Professor of Neuroeconomics at Emory College are quick to point out important distinctions. Moreover, I maintain these distinctions are key to understanding how you can increase your lifelong satisfaction.

What Is Pleasure?

Philosophers describe pleasure as "raw feels": ecstasy, thrills, orgasm, amusement, mirth, exuberance and comfort. These enchantments are immediate; you experience them through your five senses (sight, smell, taste, hearing and touch). No thought is involved.

Although these "raw feels" are gratifying, they are ephemeral. Here one minute, gone the next, even though they have strong sensory and emotional components.[1]

For instance, think about having a massage one Friday night after work. You like it so much you purr (or moan) in pleasure. Only you get stuck in traffic on your way home. When there's no way for your car to inch forward, the driver in the next lane makes an obscene gesture at you. You feel road rage rising in your throat: It's as bitter as bile. The benefits of your massage have vanished.

It's easy to become inured to pleasure, too. Psychologists call this phenomenon habituation.[2] Here's an example: The first sunny Sunday of spring, you buy yourself an ice cream cone. It seems like the most luscious concoction you've ever tasted. You like it so much that you buy another one on Monday. Surprisingly, it doesn't taste quite as good. By Tuesday, the thrill is gone. And by Saturday, you don't even notice the pistachio flavor in your mouth.

What Is Happiness?

Then there's happiness, a most delightful emotion. It's the experience of joy, contentment or positive well-being, combined with a "life is good" mentality. It exists on a continuum, like IQ, height and temperature: It can be measured on a numerical scale that ranges from very, very low to very, very

high. Further, your overall happiness is determined by three factors: genetic makeup, circumstances and activities within your control.

About 50 percent of your happiness is based on a set point that originates from your biological mother or father or both. So through good times and bad, whether you get the job you want or not, you return to that baseline happiness level.

Yet there's more involved in your overall happiness than this set point. Ten percent of your happiness is determined by circumstances: Here's where whether you get the job or not has an impact. However, since circumstances affect only 10 percent of your overall happiness, they play a relatively minor role.

Then there's a whopping 40 percent of your overall happiness that's entirely under your control. It's how you choose to think, act and feel. *You can really make a difference here.*

Recently, well-being researchers have identified happiness-boosting activities that fit people's different interests, values and needs. These activities are research-based and have been found to have a significant impact on the 40 percent of the happiness in your court.[3]

Happiness-boosting activities include expressing gratitude, cultivating a more positive outlook by visualizing your best possible future self (if all your dreams come true), practicing acts of kindness, nurturing social relationships, developing coping strategies, living in the present, savoring life's joys, taking care of your body and soul, reducing rumination, and learning to forgive.[4]

As you can see, all of these actions involve thinking and planning. Thus, they don't dissipate as quickly and you're not as likely to get used to them as you are to the bodily pleasures.[5]

Committing to your goals is another potent way to increase happiness.[6] It provides a good segue to satisfaction.

What Is Satisfaction?

Remember how Mick Jagger and Keith Richards yearned for satisfaction in the Stones' iconic song of the same name? Looking back, they probably had little idea of what contributes to achieving *real* satisfaction, since it's only recently become visible through magnetic resonance imaging (MRI).

MRI helped Berns and his colleagues at Emory University develop the theory that satisfaction arises in the brain, in the form of the chemical signal dopamine passing information from one neuron to another. This neurotransmitter suggests: "Hey folks, this could be a fabulous opportunity. Fame. Fortune. Fun. Let's get going."

In response, you become motivated, and feel a surge of enthusiasm as well as pleasure. It's the biggest surfing wave you'll ever experience, in that it can lead to "the blossoming of a sense of purpose and the stoking in the belly to conquer more obstacles."[7]

Of note, the most satisfying experiences appear to be both challenging and novel.[8]

WHAT'S BEEN YOUR MOST SATISFYING EXPERIENCE?

Please recall the process of earning your FSA designation: You faced a rigorous system of 10 examinations, while working full-time. Some coursework consisted of online learning modules. Because the process was so demanding and lengthy, it was a novel road. Nobody could tell you what difficulties you might encounter, when you least expected them. Furthermore, there was nobody telling you when it was time to saddle up your horse to trot down the promenade. It was entirely up to you. I bet you experienced an enormous sense of satisfaction when you finally galloped across the finish line.

LOOKING FORWARD

Make no mistake: I'm not proposing that you put yourself through such an onerous process as passing your actuarial exams. I am, however, suggesting that you consider what you've been yearning to do. And do it. Taking baby steps. Because the journey is its own reward, and the best way to achieve a satisfying life. ■

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ENDNOTES

1   Martin E. P. Seligman. (2002). *Authentic Happiness: Using the New Positive Psychology to Realize Your Potential for Lasting Fulfillment.* New York: The Free Press, pages 103–105.

2   *Ibid.*

3   Sonya Lyubomirsky. (2008). *The How of Happiness: A New Approach to Getting the Life You Want.* New York: The Penguin Press, pages 31–68.

4   *Ibid.,* 69–204.

5   *Ibid.,* 140–141.

6   *Ibid.,* 205–226.

7   Gregory Berns. (2005). *Satisfaction: Sensation Seeking, Novelty, and the Science of Finding True Fulfillment.* New York: Henry Holt and Company, page xii.

8   *Ibid.,* xi–17.

How My Daughter's Health Condition Influenced Me as an Actuary

By Larisa Treyster

My daughter Samara, whom we affectionately call Sami, was born in April 2016 with a bilateral cleft lip and palate. Having a child with a medical condition is difficult for any parent, but for me, as a health actuary, the experience was also fascinating, as I got a firsthand look at navigating the complicated world of health insurance. My 15-week maternity leave was largely spent taking care of Sami's cleft-related medical needs: feeding modifications, a weekly three-hour round-trip visit to her cleft team for orthodontic adjustments, and preparing for and helping her recover from her first plastic surgery. When I came back to work, I found that my perspective had changed. I learned several important lessons that helped humanize the industry for me.

IMPORTANCE OF COMMUNITY BUILT AROUND A HEALTH CONDITION

As actuaries working with member data, we are taught every day to protect member privacy, and anonymous data becomes the norm. Health providers often go to great lengths to protect our members' privacy as well, by asking to confirm your birthdate before you are led to the examination room, or only using your first name when the receptionist calls you up to fill out papers.

Fortunately for my family, this norm was turned on its head when Sami became a cleft patient. Our cleft team encouraged me to connect with other cleft moms via Cleft Mom Support, a Facebook group with more than 5,000 parents who share questions, support, stories, advice or just beautiful pictures of their cleft-affected children. I was able to talk to other parents about any miniscule question I had about the process with my specific hospital and surgeon.

Clefts are not very well understood by the general public, since many people only hear about them through donation pleas for children in impoverished countries, where a cleft is boiled down to "a simple cosmetic procedure that can save a child's life." In reality, a cleft often affects a child's ability to eat, hear and speak, not to mention the effect of having multiple surgeries at a young age, and the self-esteem issues that go along with having a facial difference. Technology enabled us to voluntarily break down the privacy barriers on our own terms, and to help each other cope with a common problem.

In addition to the virtual community, our hospital encouraged and facilitated several social events that became the highlight of Sami's first year. The MyFace charity arm of our hospital's craniofacial unit sponsored a holiday party at a children's museum, where we chatted with the doctors and nurses from Sami's medical team. We also got a future look beyond Sami's first year by connecting with families of older children who had a cleft. The emotional support and satisfaction of these events is so important for families coping with a medical condition, since they connect us over a common bond in a very positive way. Privacy is important when dealing with member data, but connection is even more important for our members, and I am so grateful that our medical team understood this.

BEHIND EACH HIGH-COST CLAIMANT IS A STORY

At work, we often discuss high-cost claimants in a very macro sense, mostly concerned about their cumulative effect on our bottom line or reserves. When my infant daughter became one of these high-cost claimants in her first year of life, I realized that each high-cost claim is also someone's daughter, uncle, sister or neighbor. Each hospital stay is a stressful and significant event not only for the patient, but also for every dependent on that policy.

HEALTH INSURANCE IS REALLY CONFUSING, EVEN FOR AN ACTUARY

I thought I was an expert on how health insurance really works. After all, I work inside the industry. During open enrollment, I diligently compared plans that my company offers versus my husband's, confident in my understanding of the various cost-sharing levers like copays, deductibles and coinsurance. I usually understood most of the explanations of benefits for routine visits. When Sami's medical bills started arriving, I felt like someone was laughing at me "Ha! And you thought you understood how medical claims work."

For example, we got an estimate of our costs prior to Sami's second surgery to repair her palate; this estimate included a calculation of our out-of-pocket share. I was pleased with how well the system seemed to be working; since I paid for the cost of surgery the same day, it was as quick as pharmacy claim adjudication.

A few weeks after the surgery, we got another large bill from the hospital. After a few phone calls, I learned that the initial estimate only included the hospital stay and not the services of the physicians who treated Sami. To us, as the customers, it was all one dizzying hospital experience, so it was very confusing to get two separate bills. I often hear the restaurant analogy for how simple health insurance *should* be. In our case, it would be like paying for dinner in two parts: half the bill, covering the cost of sitting at the restaurant, paid upon eating dinner; and then the other half covering the services of the chefs, waiters and busboys, arriving in the mail a few weeks later. If the experience was this confusing for someone employed by the industry, I can't imagine how confusing it must be for our average member, especially during an often stressful time.

I AM SO GRATEFUL FOR HEALTH INSURANCE

The debate around health coverage is hotter than ever, both in Washington and in American households. Many millions of Americans still don't have affordable health coverage, and there is no easy solution. Sami's medical experience taught me the importance of having access to affordable coverage. Some of the claims for her surgeries had eye-popping dollar amounts, and I cannot fathom how difficult seeing these amounts must be for people without health insurance, especially since they don't get the benefit of the discount negotiated by the insurance company. The health insurance industry that employs many of us is in the middle of this heated debate. We have to remember that even as our industry is vilified, we are here to serve our members, so that they, too, can benefit from the security of affordable health care that I experienced during Sami's medical care.

CONCLUSION

The first year of Sami's life was very stressful, but if I had a magic wand, I would not change the experience. Sami endured a lot of pain and upheaval, but it made her stronger. Her medical issues are not 100 percent behind her, but I know she will be able to handle any other surgeries and therapies with the same resilience she demonstrated as a baby. The experience changed me as well; it opened my eyes and my heart to the human side of the members we serve every day. Even though most actuaries don't deal with claimants every day, gaining the empathy and perspective to look at the people behind the data gives me more depth and satisfaction in my work.

WHAT ACTUARIES CAN LEARN FROM THIS EXPERIENCE

Frame the Discussion Around People, Not Numbers

When talking to internal stakeholders, try to bring the members we serve into the discussion. For example, during benefit design and pricing season, we can look at claim costs two ways: the insurer's liability or the member's liability. Framing the

discussion around what a member might pay when talking to the sales or marketing department would send the message that we care about our members and not just the bottom line. We can achieve both sound financial results and create an attitude of care for the member.

Wield Influence as a Member

Actuaries who work in health insurance are often members of our own product. We interact with doctors, office staff and the insurer's customer service. Ask tough questions, and try to get understanding on your benefits. Use the frustration or lack of clarity you face to bring the perspective to the insurance company's leadership. Health insurance is a complicated and slow-moving market, but these small interactions by actuaries can help drive the attitude that the industry needs more clarity and cohesion. ■

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