CHAIRPERSON'S CORNER
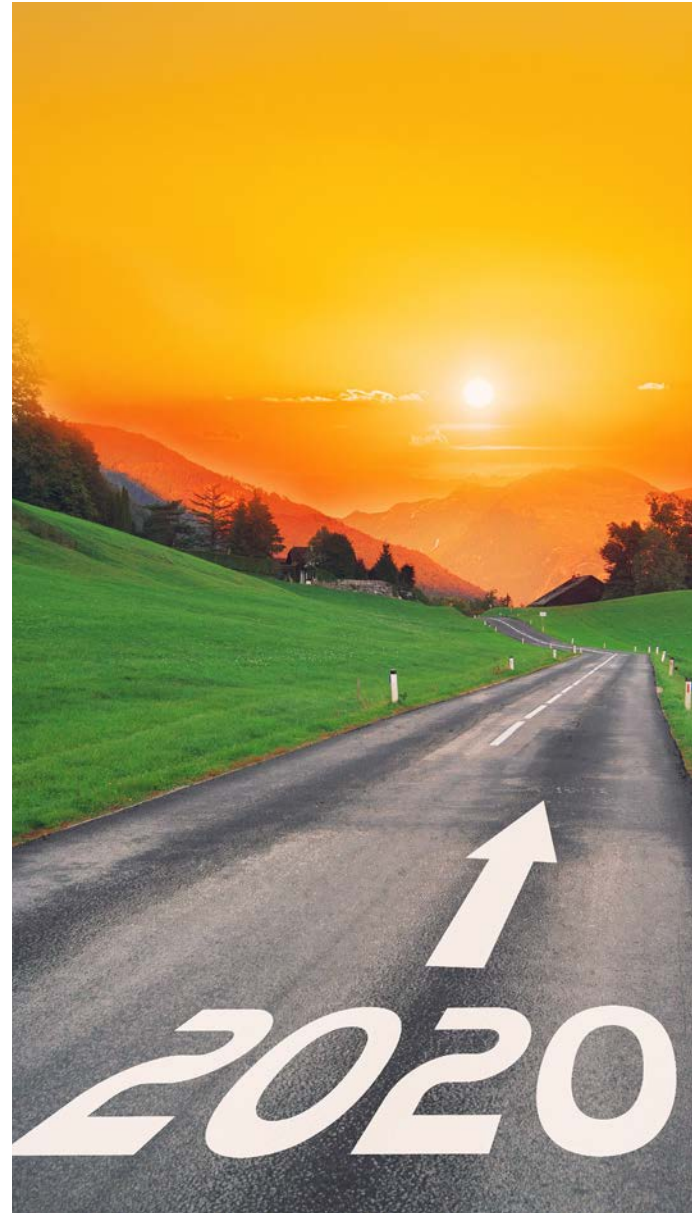## May the Force be With Us

By Ying Zhao

"Change is the only constant in life." We have probably all heard this famous quote from Heraclitus. Many of us are dealing with changes at work these days—planning for and implementing new accounting standards, developing unique products for a digital distribution channel, experimenting with predictive analytics to bring novel insights into policyholder behaviors, transforming business process through collaboration with a global team and so on.

Changes are also happening for the Leadership and Development Section. Marked by the Society of Actuaries (SOA) Annual Meeting & Exhibit, three members of the section council, Mitchell Stephenson, Abe Gootzeit and Rong Rong, have rolled off, as their terms ended last October. Many thanks to them for their dedication and hard work over the past three years. Special appreciation goes to the outgoing chair, Mitchell Stephenson, for his leadership over the past year and his continuous contribution to the section as well as to the profession.

I am honored to have been selected to assume the role of chairperson of the Leadership and Development Section Council. And I am thrilled to welcome the newly elected section council members, Olyvia Leahy, Kelly Rabin and Katie Rook. We also have a number of volunteers joining the team as friends of the council to help serve the section members.

The new section council went to work right away. We held our annual strategic planning meeting in November at the SOA headquarters. The goal was clear: how to bring high-quality content and valuable resources to our section members and fellow actuaries at large.

We decided to continue successful past practices, including being thoughtful in sourcing speakers to ensure the quality and diversity of the voice and views of the content, and leveraging multiple media platforms (e.g., newsletter, webcast, podcast) to deliver high-quality content to a wider audience.

In addition, the council constantly looks for ways to enrich the value of being a section member. Like what we experience in our day jobs, the new initiatives focus on the theme of change and most involve cross-collaboration with other sections or the SOA:

- Embrace the new digital format and publication schedule of section newsletters by redesigning our existing content delivery structure and creating new content to better leverage the new format.

- Recognize the increasing presence of millennials in the SOA and the section and create new ways to engage young professionals and bring new energy into the section.

- Coordinate with the SOA to support new initiatives to develop leadership skills and build a stronger professional network.

- Collaborate and cosponsor webcasts, podcasts and meeting sessions with other interest sections to deliver content that is relevant to the fast-changing demands of our jobs.

Changes are challenging and exciting at the same time. We grow through change. Since "change is the only constant in life," we are better off embracing it. While the technical skills are essential to meet the changing demands, our soft skills are increasingly put to the test.

We need the ability to learn new topics fast, we need creative ways of solving problems that were never seen before and we need to explain what we do to people who don't speak the same language (metaphorically and linguistically). On top of it all, we need to balance production vs. projects, doing things vs. learning things and work vs. our personal lives. The Leadership and Development Section would like to help you develop these skills to manage the changes and turn them into growth opportunities. We would like to become a force behind you to progress in this ever-changing profession. ■

The views expressed by the author are her own and not necessarily those of Ernst & Young LLP or other members of the global EY organization.

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Building a High-Performance Culture
Part II: Building the Right Environment

By Raymond E. DiDonna

Editor's note: Part I of this series, "Acquiring the Best Talent," was published in the November issue of The Stepping Stone. *Watch for Part III, which will focus on making sure you are spending enough time on staff development and growing your people, to be published later this year.*

The true value of any leader is measured by how much they are able to accomplish through the work of their team. Actuaries in leadership roles are no different. But to get the most out of teams, leaders must first focus on building a high-performance culture, one that rewards measurable success and challenges everyone to reach farther all the time.

There is no easy path to building a high-performance culture, but a leader's efforts will pay substantial dividends for the team, the leader and the company. This three-part series of articles is intended to educate actuarial professionals on how to build a high-performance culture and achieve outstanding results.

As a leader, you should consider three critical steps in the process: acquiring the best talent, building the right organizational environment and growing your people. This installment focuses on building an organizational environment that allows your team members to shine.

As the leader, it's up to you to create the right environment—one that motivates employees and that they enjoy being a part of. To do this, you can't just go about leading the group haphazardly and hope the right environment appears. And you can't just be everyone's buddy and hope that by doing so employees will, in return, deliver their best work. Instead, a leader has to both build the right operating environment and be a role model.

OPERATING MODEL

There are several components you need to implement to create an effective operating model for your business or your team. When put together properly, these components will allow your team to understand what they are trying to accomplish, how they are doing along the way and how they might advance in the future. Whether your team is large or small, you can introduce a variety of mechanisms to create this model. Let's cover a few I consider critical.

Communicate a Compelling Vision

First, you need to communicate a *compelling vision* for your team. Whether you are running a company, a profit and loss center (P&L) within a company or a team of experts, the employees under your charge are initially looking for one question to be answered: What are we trying to accomplish? By that I mean accomplishment at a broad, strategic level. What's the purpose of your group and what high-level outcome are you expecting?

Another way to think about this is by answering the question, For my company/business/team, what does success look like? When you can communicate with perfect clarity what your vision is, and that vision is a compelling one, you will see employees really produce at a high level. It may sound simple, but this

is a place that often trips up leaders. If your team doesn't know where they are going, how do you expect them to get there?

Align Goals

Once your vision is in place, you need to *align goals* that are actionable from the top of the organization down to every employee. Again, it doesn't matter how large or small your team is. What matters is that your employees understand where you're going (the vision) and what their responsibility is in helping get there (their goals).

From the standpoint of a large team such as an entire company or a P&L group within a company, what should cascade down from the vision are organizational goals, followed by departmental goals, followed by team goals and finally followed by individual goals. When each employee can see the relationship between how the work they are doing impacts the team, the department and the entire organization, they will be motivated to deliver in a big way. I know you've all been in a situation where you want to do your best work but you have little clarity on what your or the team's goals are. In that environment, there is simply no way to be high performing—there is, in fact, no definition of what high performing looks like.

Develop Visible Metrics

Once goals are set and aligned, tracking progress by developing *visible metrics* becomes the next step in creating the right environment. At a company, department and team level, employees need to know how things are going throughout the year. Are we ahead? Are we behind? Do we have to push harder to deliver on the goals that were set? Without knowing the answers to these questions, an employee, an entire team or even an entire company can flounder. You need to make sure the team knows where they stand at all times (more practically, at regular intervals such as monthly and quarterly).
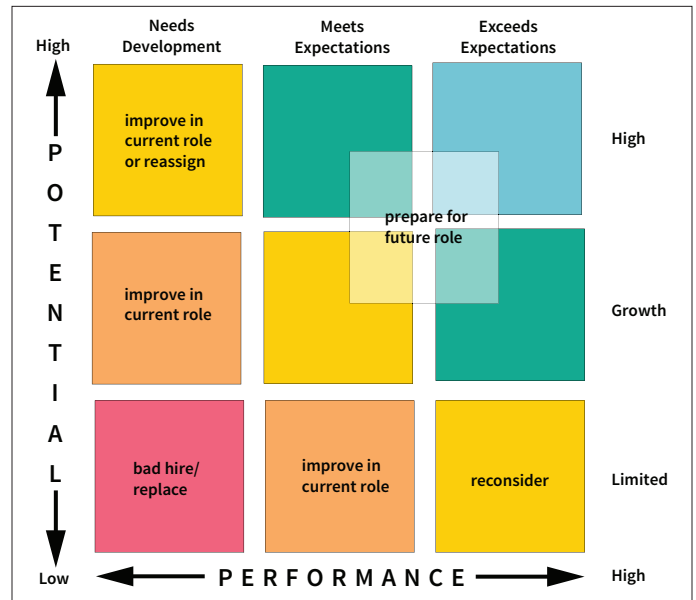
In any business, adapting as circumstances unfold is a critical skill. To adapt, you need to know where you are right now. If things aren't going well, you need to understand why, then change course based on what you discover. All of that is only possible if everyone on the team has visibility into key results. Finally on this point, at an individual level, employees need to know how their actual results compare to their specific goals throughout the year. This is where discussions such as weekly one-on-ones and midyear reviews become so valuable. Make sure, as a leader, your teammates always know how they are doing and, if there are areas they need to focus attention on, they have a good understanding of that while they have time to respond.

Create a Development Framework

Another key component to an effective operating model is creating a development framework. Generally speaking, this is a tool used to understand both the performance and the potential of your team members (see Figure 1). Once you can plot all of your team (or perhaps those in similar roles) on the graph, you will have a good sense of two key things: (1) you will better understand how your overall team is performing and what their total potential is as you build your high-performance team, and (2) you will know which individuals to target for greater responsibility, new assignments, training, mentoring and so forth. You should work with your human resources team to prepare this framework annually, which will allow you to continually focus on upgrading and building, at both the team and the individual level.

Figure 1
Sample Developmental Framework

Source: Adapted from Talk It Out, *https://cucumbermanagement.wordpress.com/2013/05/10/the-problem-with-9-box-matrix-potential-vs-performance/* (accessed March 16, 2020).

Have Fun

Finally, here's one last thing you should not forget in order to create the right environment for your team: Have some fun! While most of the time we have serious business to attend to—working hard to achieve financial and other goals—every once in a while, we all need to take a breath, relax and laugh a bit. As a leader, don't be afraid to inject a little humor (at the right time, in the right circumstances) into the day. We all spend so many hours at work, often spending more time with coworkers than with our families. Enjoying some of that time helps everyone's perspective and outlook. Every so often, take the team out for ice cream or go bowling. Get away from the office, even if just for a few hours. This downtime will pay off in a big way to recharge everyone's batteries and get ready to reach for even higher performance.

ROLE MODEL

In addition to creating the operating environment I just described, leaders need to be their team's number one role model. Your employees look to you first for guidance and signals about what to do and what not to do. You must model the behavior you want from them. Don't ever blame a teammate for acting in a

way that is not proper or professional if they are simply mimicking your own behavior. I can't emphasize this point enough—as a leader you are always "on." Just like the fact that parents never get a day off from raising their kids, bosses never get a day off from being a role model for their teams. Remember this and think about it when you get the urge to yell back at a colleague, write a nasty email or do anything else you don't want to have to reprimand an employee for doing. On the positive side, you want your employees to see you at your professional best all the time, delivering on your commitments and achieving goals. They will follow your lead here too.

Another part of role modeling is communicating with your team. When you communicate with them, either individually or as a group, be as open, honest and transparent as possible. There will always be some sensitive information that you can't share with your team, and everyone understands that. Other than that, don't leave anything out. If you want your team to feel accountable—in fact *be* accountable—they need to hear from you in an unfiltered way. If they do, you have the best chance of getting their unfiltered feedback in return—and that's how you can continue to improve the entire team or business. The feedback loop between the leader and the team is critical to creating an environment that is truly high performing. Remember that the team can't achieve great things unless they have all the information necessary to deliver outstanding results, and a leader can't continue to improve the overall team without knowing what the team is seeing at all times.

To wrap up the second installment, to build the right environment that inspires your team to achieve high performance, you need to create an operating model that includes:

- a compelling vision,
- aligned goals,
- visible metrics, and
- a development framework.

In addition, you need to remember one of your primary roles as a leader is to be a role model. That means you need to communicate effectively and, along the way, have a little fun with your team. ■

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Piecing Together the Puzzle of Hobby and Career

By Amanda Hug

Teacher. Doctor. Firefighter. Professional basketball player. Answers come easy and often when five-year-olds rocking tutus or the latest superman or superwoman costume are asked, "What do you want to be when you grow up?" The answer rarely comes easy when asked in a joking manner of mid-career colleagues at a professional juncture.

For five-year-old Amanda, the answer varied, but I did think it would be particularly fun to be a dolphin trainer. I loved being in the water and was also amazed at the intimate connection between trainer and animals. I think sometime around college I took to the internet to see if maybe, just maybe, there was a short summer training program to work with dolphins so I could "get it out of my system" before I joined corporate America. Alas, there was not.

So, I graduated from college with my math degree and embarked upon my actuarial journey at MassMutual. Three years later when I earned my FSA, I had a definitive answer as to what I would be when I grew up: an actuary. Question answered. Case closed. Right? Well, of course, you all know it isn't that simple. My actuarial credentials were just the beginning, a foundation upon which I could build my career in many different directions.

The same is true for the other 30,000-plus members of the Society of Actuaries (SOA). There is no one-size-fits-all end game for actuaries. It is up to each of us to pursue a path that both aligns to our strengths and awakens our passions. But just how do we figure out what that path is? When a role is wrapping up and we're looking for the next, how do we decide which position is a good fit?

There are of course many ways to do this: brainstorm with your mentor, meet with people in different roles, read posted job descriptions, take career assessments—the list goes on. Those are all helpful suggestions and good things to do. But first, it might be wise to take a step back and consider this: What are my hobbies and interests outside of work?

Time is a precious commodity, and where we spend our limited personal time outside of the office often reveals where our passions truly lie. Although it may seem on the surface that hobbies such as racquetball or scrapbooking have little to do with an actuarial career, I'd argue there are some important connections to be found.

When I was younger, I certainly was not thinking about how my hobbies connected to my career trajectory. It's only in retrospect that I can see where they did. Let me share how this principle rang true for me at different inflection points in my career.

MANAGING A (MAKE-BELIEVE) HORSE FARM

I had an early fascination with horses and started riding at age eight. This obsession meant lots of horse-related gifts under the Christmas tree, where I eventually accumulated a set of about 25 Breyer model horses and four wooden barns in which they resided. I appointed myself manager of my horse farm, naming each of the horses, hiring make-believe riding instructors and soliciting make-believe clients for lessons. I spent hours playing with these horses and orchestrating the events of the farm. My favorite part of it all was recording the farm schedule and associated revenues and expenses in a prized notebook. I would track fees for group lessons, private lessons, wages for my instructors and other dollar amounts needed to run the farm. I got joy out of the math necessary to keep track of my complex operation.

I may no longer be tracking horse-related numbers, but I can now easily see how my early love for numbers and math led me to an actuarial career. I'm sure each of you has your own stories that illustrate an early love for math and the ordering of numbers.

THE YEAR OF THE DREADLOCKS

My junior year of college, I took a semester off school and backpacked around Europe, which was a great experience on so many levels. The night before I left, I invited five of my best friends to come over and help me turn my long and curly brown hair into a head of dreadlocks. (In case anyone is thinking of trying this, know that it took about seven hours of those five friends raking my hair against my scalp with metal combs. It's no small endeavor, and an irreversible one at that.)

My mother was horrified, to say the least. I think she actually cried because she thought I would get detained by TSA at the airport. But I loved the look and the next day boarded my transatlantic flight for my semester traveling abroad. I kept my dreadlocks for a few months after I returned to school, wanting to squeeze every moment out of the style before I had to get practical again.

Everyone who knew me was pretty surprised by the hair choice. I was a straitlaced kid growing up, and I didn't exactly fit the dreadlock mold. But I think that's exactly what prompted me to try it. I have this inner desire to surprise people, to do the unexpected and to show others that it's okay to not always fit the mold. I think that same spirit is exactly what has fueled my career choices, especially as of late.

For a mathematically minded person like me to become an actuary, that is what is expected. It was a predictable and sensible choice, and one that I am glad I made. But I never wanted that to be the end of my story. I viewed the actuarial profession as a great platform from which to build a career in business leadership. For that reason, I recently pursued and completed an MBA at the University of Chicago Booth School of Business. Around the same time, I was offered the opportunity to take a role as the chief of staff to the chief financial officer at MassMutual. It was the perfect chance to expand from my traditional actuarial roles to a more holistic business role and to start to apply my MBA education.

Like my dreadlocks, these career moves were also unexpected. I had many actuaries question why I needed an MBA if I already had an FSA, which many consider to be the equivalent of a master's degree. Subsequently, when I took my role as chief of staff, I had a number of actuaries wondering if I was no longer interested in the actuarial profession. My first week in the role, I had an actuarial colleague of mine ask, "Did you ever get your FSA?" When I exclaimed, "Yes! Five years ago!" he replied, "But this isn't an actuarial position."

That was, of course, technically true. However, I believe that the opportunity to work directly for the CFO allows me to use my

analytical actuarial background while gaining insights into the management and oversight of the company at large. As a bonus, it helps break down the actuarial mold and hopefully expand the thinking of others as to what can be expected from actuaries.

RAPPELLING DOWN A 19-STORY BUILDING

Now that I've taken this less-than-traditional role, people love to ask what's next for me. It's the grown-up version of "What do you want to be when you grow up?" The honest answer: I'm not completely sure. I have a few ideas of what roles might be interesting, but I'm still in the exploration stage. So I've taken my own advice and considered what it is that I love to do outside of work, and how that might inform my next step.

Adventure travel ranks high on my list of hobbies, having traveled to every continent but Antarctica (which is on my short list!). I've had the opportunity to do some really fun things in my travel over the years, ones that probably ding me a few notches on my life insurance underwriting questionnaire. One of the scarier experiences was when I elected to rappel, face-first, down a 19-story building. It was just a little bit more daunting due to the light rain from a thunderstorm that was passing through at the time. (I think safety standards are a little more lax in other countries!) I was completely terrified, but I did it anyway because I like to force myself to do things that scare me. It always ends up being a total rush and, more important, builds my confidence as to what I really am capable of.

So how does this apply to my next role? It reminds me that I should look for something a little out there that is going to stretch me, challenge me, and yes, maybe even scare me a bit. It is in these types of roles that I know I will be most satisfied and grow the most.

NOW IT'S YOUR TURN

That's a lot about me. Now it's your turn to take a crack at this. It's a simple (and fun!) exercise to chart out each of your hobbies, what you like about them and how that could apply to your career path. It's a great activity at any career juncture to help bring clarity to what you should do next. For you, it most likely won't be managing a horse farm, getting dreadlocks or rappelling down a building, but I have no doubt it will be something as wonderfully eclectic and informative. There is no perfect mold to follow when it comes to actuaries and our career journeys, and there is definitely no wrong answer to this puzzle of hobbies and career. It's just another tactic to help you answer the ever-persistent question, "What do you want to be when you grow up?"

Once you've had the chance to reflect on this for yourself, please drop me a line and let me know what you've learned. I'd love to hear how your personal interests and career journeys intersect! ◾

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