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

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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).
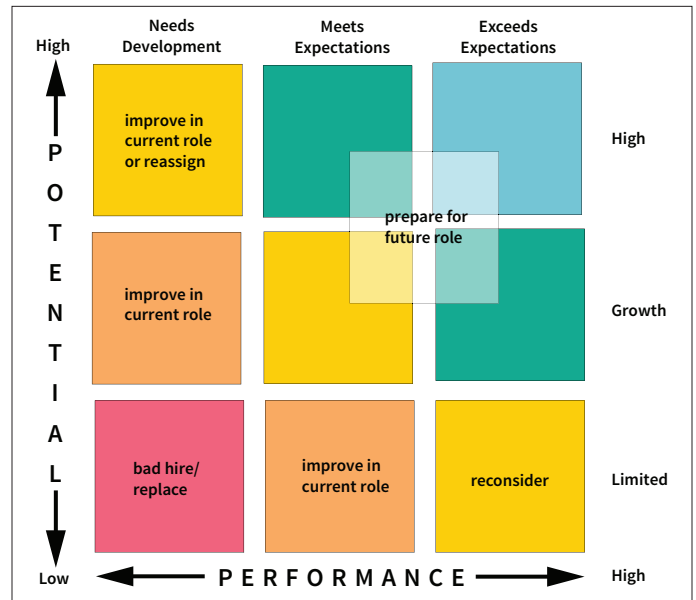
In any business, adapting as circumstances unfold is a critical skill. To adapt, you need to know where you are right now. If things aren't going well, you need to understand why, then change course based on what you discover. All of that is only possible if everyone on the team has visibility into key 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 under-

stand 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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