



Building a High-Performance Culture

Part III: Growing Your People

By Raymond E. DiDonna

Editor's note: Part I of this series, "Acquiring the Best Talent," was published in the November 2019 issue of The Stepping Stone. Part II, "Building the Right Environment," was published in the March 2020 issue.

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 the influence leaders have on the professional growth and development of their employees.

Although everyone's career is, first and foremost, their responsibility to manage, it is a leader's job to support each employee's professional journey. Make no mistake, this support takes lots of time and plenty of energy. But it is all worth it when your employees continue to develop as professionals, achieve new levels of performance and, as a result, help you create a high-performance team.



SET EXPECTATIONS

There's nothing more important for an employee than understanding what success looks like in the eyes of their manager. There needs to be very clear alignment between what's in a leader's head and what an employee thinks they are supposed to accomplish. So, the first step in growing your employees is setting clear expectations.

In a typical company, there is a performance management rhythm. That always starts with setting goals and objectives early in the year. The rhythm continues throughout the year with periodic one-on-one meetings between employees and supervisors to check on the progress of objectives, talk about development opportunities and so on. Often there is a midyear review, which, in some companies, is a very formal process and in others is less so. Finally, at the end of the year, or early the following year, a robust performance evaluation is created and communicated.

The rhythm just described can't be effective if it doesn't start out with clear objectives for an employee to achieve. So, one of the most important responsibilities of a leader is to set

those objectives with their employees in a way that is clear and comprehensive.

First, your employees' goals should be as perfectly aligned with your overall team goals as possible. Those team goals, of course, should flow down from your department's goals, which should come directly from your company's goals. It's never easy to get perfect alignment, but you must keep in mind that it's critical to every employee's motivation to understand where they fit in, how the job they are doing helps the cause. And there is no better way to ensure that's the case than aligning their goals with those above them.

Second, an employee's goals should focus on their most important objectives. It should not be a laundry list of every possible task they may perform throughout the year. If you try to do that

- there will be confusion about what's most important,
- the employees' time will be spread too thin and
- they will likely deliver mediocre results across the board.

Instead, focus on the most important responsibilities and key projects for the year. As a general rule, which may vary based on the role and level, consider three to five high-level goals (or goal categories) with the possibility of having a few subgoals within those categories if appropriate. However, don't use the goal/subgoals structure to try to include everything an employee does. Consider one to two subgoals, at most, in each goal category.

Third, make sure you set measurable targets for each goal. Measurements take many forms, such as target date for completion, productivity levels, quality, customer service levels, profitability and revenue. The specific target for each goal, and its form, will differ, which is fine. The most important part is simply setting a target for each goal that is reasonable to achieve and for which it is clearly understood what is expected. It's at this point you should be discussing goals and targets with each employee so you begin to get aligned in your thinking together. The goal-setting process should be collaborative and iterative.

Finally, besides setting achievable (but challenging) targets, you should also set "stretch" targets. You want to be clear not only about what good performance looks like (via the targets themselves) but also what great performance looks like. Be as specific as you can.

For example, if a target is to complete a project by June 30, then a stretch target might be May 31. If a target is a customer satisfaction level of 4.0 out of 5, then a stretch goal might be 4.5. It's their job to challenge themselves to achieve not only the targets you set but also the stretch targets whenever possible. And, if they do, your job is to reward them for those outstanding results.

Poor performance is not usually the end of a career, but not knowing you are performing poorly could be.

GIVE FEEDBACK

Here's the part that, unfortunately, trips up managers and leaders the most. Providing valuable feedback to employees is absolutely essential to their development, yet this area tends to get only limited attention. More specifically, providing critical feedback when an employee's performance is not up to par is very difficult for a lot of managers. However, you must understand that withholding feedback about an employee's development is unfair to them. If what they are doing is correctable, they deserve the chance to correct it. If you don't give them that chance, they risk developing a negative reputation around the organization that they may ultimately not be able to rebound from.

It's tough to do, but you need to think about providing critical feedback as a developmental gift for your employees. You are giving them an opportunity to understand how their performance (or perhaps behavior) is being perceived by others—and, importantly, the opportunity to improve. Poor performance is not usually the end of a career, but not knowing you are performing poorly could be.

So, here's a way to get started in terms of providing feedback, positive or critical. Make sure the feedback you provide is frequent, specific and candid. In terms of frequency, there is no specific rule of thumb here except to say if you wait too long to provide feedback, the impact will probably be lost. Employees need to hear about performance highlights and performance challenges right away. If you wait until December to tell an employee about a performance problem you observed in May, they have every right to ask, "Why did you wait until now to tell me? I could have been working on that for six months." Similarly, if an employee is doing really great on a project, let them know that as the project goes along. That will motivate them even further.

Also, the feedback you provide needs to be specific. Feedback such as "You're doing a good job" or "It looks like you are struggling" isn't helpful. You need to be very clear about what you are observing in their performance (good or bad) and, hopefully, tie those observations back to their objectives.

Here's an example: An employee is halfway through a two-month project and you observe that they aren't nearly far enough along to finish on time. Discuss that very issue with them. Ask about their confidence level in being able to finish on time. Ask about any unex-

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pected hurdles they are encountering. Let them know you are there to help, not by doing the project for them, but as a sounding board for how they can get back on track. Once again, it doesn't help to provide this feedback only after the project is already late.

Finally, you need to be candid when you deliver feedback. Now, being candid doesn't mean being harsh; it simply means providing an honest assessment of the performance you are seeing. Although crafting the right message to deliver can be difficult, making sure the message is honest simplifies the exercise. If you are observing an employee having a difficult time with their performance, then simply tell them exactly what you are seeing. Just be honest.

Example: "Hey, Joe, I know you have a deadline coming up quickly on that important project. When I read your latest project status notes, it seemed like the current pace will not allow you to deliver the completed work on time. I'm worried about that and want to discuss it now before we get too much further. I also saw a few errors in the latest summary of results. You may be rushing to ensure you finish on time. Let's meet this afternoon and cover both the timing and accuracy of the project."

This direct style of communication sets up a more detailed conversation you can have and also gives Joe the opportunity to prepare. Hopefully, he will come to the meeting ready to be constructive, and he won't feel blindsided.

One final point to emphasize on providing feedback: Don't over-reward (or overcompliment) performance that meets expectations. Although some goals will always be more difficult than others to achieve, you agreed with your employee at the beginning of the year what was expected of them via the goals and targets you set. If they achieve them, that means they are performing well, but not great. And that, again, is why it's important to also be clear in setting stretch goals. If your employee is achieving all of their goals, and even reaching a few stretch goals, then they are clearly a high-performer and deserve to be rewarded as such.

PROVIDE OPPORTUNITIES

In order to grow your people, you need to provide opportunities for them to shine. Now, those opportunities come in many shapes and sizes, but without really planning them out, your em-

ployees may miss valuable experiences that help them move up in their careers.

First things first: Who should get those opportunities?

Well, there are different schools of thought here, but my preference is providing most of the opportunities to your best employees. Let's face it, they continue working hard and producing excellent results just so they can continue to expand as professionals. Your job is to give them new experiences to test them in new circumstances, new roles and new environments.

I'm not saying merely good performers don't also deserve some opportunities; however, if you spread them evenly throughout your team, that can actually act as a demotivator to your best people. Just like giving everyone the same merit increase or bonus regardless of performance, your best people will wonder whether it's worth it to keep performing at a high level (or whether they should keep working for you at all) if they don't earn special recognition. You need to think of providing unique opportunities to grow as another reward for strong performance.

What kind of opportunities can you provide?

As you think about your best performers, consider what they are strong at and, importantly, where they still need to develop. That, initially, will point you in the right direction in terms of new opportunities. You need to consider allowing employees the chance to lead a special project or fill in for you at an important meeting so they can get exposure to senior leaders, or give them a long-term research assignment or send them to an industry conference. All of those opportunities provide experiences for growth outside an employee's normal responsibilities. Make sure as a leader you are spending enough time thinking about your best performers, what sorts of skills they need to develop and what opportunities you can put in front of them so they develop those skills and shine even more.

Here's the final point on providing development opportunities and, also, one of the most difficult things to do as a leader: When a star employee has done all they can do in their current role, and they've developed as much as they can, you must recommend them for a more senior role, even if it means losing them (and it usually does). Their career is your legacy and to ensure your legacy outlasts your employment, develop your employees and make sure they become stars on someone else's team. ■



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Become an SOA Section Council Member

Each of the Society of Actuaries (SOA) 20 sections are led by a council of 9–12 elected members. The section council is elected by section members who are typically SOA members. Approximately a third of the section council rolls off each year and new council members are elected.

This is your opportunity to let your voice be heard, make an impact, and help lead your section into the future. To be

considered, all you need to do is fill out the [Expression of Interest form](#) by May 29. If you are elected, you will take office on the last day of the 2020 SOA Annual Meeting & Exhibit, Oct. 28.

Serving on a section council is a unique experience that will give you the opportunity to make an impact in what matters to you. You will be part of a large networking group with other actuaries who, like you, are committed to shaping the future of the actuarial profession. The sections develop a great deal of the continuing education content for the SOA and produce newsletters, podcasts, webcasts, contests and networking events. ■





How to Ask for Help

By Doreen Stern, Ph.D.

“I encourage everyone to reach out for help; there are always people wanting to support others at a time like this,” Jeremy Pivor wrote in a recent *Washington Post* opinion piece.¹ He was referring to the isolation caused by the coronavirus pandemic. He knows what it’s like because he has had to self-isolate to safeguard his health.

Sixteen years ago, when he was 12, Pivor was diagnosed with a malignant brain tumor. Since then, he’s undergone two surgeries, chemotherapy, radiation and now experimental immunotherapy. Thus, he knows about uncertainty, fear and putting his life on hold:

I had to accept that I could not do a lot of activities I was used to. The longer this continued, the more isolated I felt. I sank into depression. It felt like a black hole I couldn’t climb out of. When I realized I was not able to get myself out, I reached out to my closest family members and friends. Talking openly about my feelings as well as starting medication helped me manage my depression.²

Whether you’re blue like Pivor was, or scared about how long the current circumstances will continue, or irritated by the many adjustments working from home requires, his advice applies to you. Because today’s situation is hard.

Ask for help.

It’ll make you feel better. You’ll be able to form closer relationships with people. It’ll reduce your stress. And you’ll likely gain an enhanced sense of control over your life.

ROADBLOCKS TO ASKING FOR HELP

As I wave my arms as an “Ask for Help” cheerleader, I imagine that some of your backs are stiffening. Your faces are scowling. Your eyes are saying, “Never.”



I understand.

People often think that asking for help is akin to admitting defeat. “No, I can’t do it myself: I’m not smart enough, not tech-savvy enough, not enough overall. Besides, I don’t like being rejected.”

These are normal feelings. Most of us have them when we contemplate asking for help. Many of us retreat because we don’t want to look stupid, inept or needy. Most of all, we don’t want to be rejected—to hear someone say, “Who, me? Help you? Not on your life!”

Those are realistic concerns, since functional MRIs reveal that the human brain experiences social stings as if they were physical blows. Social psychologist Dr. Heidi Grant claims this is an evolutionary adaptation to protect us. “It’s because pain—physical and social—is an important signal in our quest for survival. It alerts us that something is wrong, that we have injured either our bodies or our connections to others, both of which have been, throughout most of human history, essential for staying alive.”³

Yet there are ways to circumvent these fears to ask for the assistance you need.

HOW TO ASK FOR HELP

I'm going to go out on a limb here; I'm going to share the techniques I use regularly. They've worked for me. They may or may not work for you, which is fine. As time has gone by, I've come to realize there are few absolute rules about how to handle interpersonal relationships.

I do recommend courtesy, honesty and sincerity. Aside from that, I believe each of us must develop techniques that align with our values and uniqueness. Nonetheless, I suggest three simple steps:

1. **Identify the problem you have, the help you want and why.** What are you trying to accomplish and where are the holes? What kind of help do you need to get the job done, whether it's acquiring toilet paper, figuring out the best background for a video conference or managing your drooping stock portfolio?
2. **Identify whom you can ask for help to solve your problem.** Identify your preferred helper. I'll call her or him Person 1. Reach out by text, email, video call, phone or letter. Frame your request in the clearest terms possible. Let the person know your time frame, and tell them why you chose them. For instance, here's what I texted today to a college student who lives in my high-rise condominium. (Note that I'm going to pay this person and have done so in the past.)

Hey John. I'm writing to ask for help setting up my go-to-sleep device cause I think you're a whiz at figuring out tough things. Without a set schedule I've been staying up half the night.

The sound I want is piano music. I'd like it to start at 10:15 pm and last for an hour. I'd like the bright light to go on at 10:15 pm, too, and then grow dim until both the light and sound go off at 11:15.

I wonder if I may leave the device and operating manual in front of your door now—or later, if that's better? (I'll leave it in a cloth bag.)

With my thanks — Doreen

3. **Detach from the outcome.** Whether the person says yes or no has little to do with you. Instead, it has everything to do with them. What's on their agenda? Does your project align with their personal goals? Can they spare the time and mental bandwidth? So don't take their not being able to help you as a rejection. Rather, see it as information. Thank them anyway. Then go back to identifying another prospect, keeping in mind that you might need to identify a Person 3, 4 or 5. Maybe even more.

SUMMARY

I used to have this tongue-in-cheek motto: "When the going gets tough, the tough get manicures." No more. Here in Connecticut, where there's a stay-at-home order in place, manicures are out for the foreseeable future.

Now I say, "When the going gets tough, the tough ask for help." I suggest you do the same. Because no one will know you need help unless you tell them. I believe doing so will make you braver. Soon you'll be able to leap tall buildings in a single bound, knowing we're stronger together. ■



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ENDNOTES

- 1 Pivor, J. "Living with brain cancer has prepared me for coronavirus." *Washington Post*, March 22, 2020, https://www.washingtonpost.com/health/living-with-brain-cancer-has-prepared-me-for-coronavirus/2020/03/21/Te-a885b4-6930-11ea-abef-020f086a3fab_story.html (accessed April 17, 2020).
- 2 Ibid.
- 3 Grant, H. 2018. *Reinforcements: How to Get People to Help You*. Boston: Harvard Business Review Press.



What Would You Do?

“Too Close for Comfort?”

By John West Hadley

Here is our next entry in the What Would You Do? series. Write to me at SteppingStone@JHACareers.com to tell me what you would do. In a future issue, I'll compile the responses received (preserving your anonymity, of course), along with what actually happened in the real-life situation.

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

TOO CLOSE FOR COMFORT?

Fernando has been an FSA for five years and has built up a small actuarial department from scratch at his company. The company has recently entered the universal life market, and Fernando has almost no experience with that line. So far he has relied heavily on actuarial consulting help, and he has decided to fill that gap with a new hire.

Jason is an FSA with substantial interest-sensitive product expertise. Fernando is impressed with Jason's savvy and professional maturity and the way he presents himself. His boss, Cynthia, the chief actuary, is equally impressed. She points out that to attract Jason, they would need to bring him in at a salary just shy of Fernando's.

Fernando is sure that Jason would be a strong addition to his team. However, he wonders if it might be better to seek a more



recent FSA, or even a senior ASA. Jason got his FSA only one year before Fernando earned his, and coming in so close to his own salary might create budgetary issues. He could foresee pressure to reorganize the department to give Jason a bigger role that would justify his salary. In fact, Jason might quickly turn into Fernando's competitor for any future promotion.

If you were Fernando, what would you do? ■



John Hadley is a career counselor who works with job seekers frustrated with 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.