Article from

The Stepping Stone

September 2020

Silo-Busting Skills for Actuaries: Improve Performance Through Strategic Internal Networking

By Pat Schaeffer and Barbara Taylor

As an actuary, you may be asking yourself, "Why should I care about networking? What's that got to do with actuarial science and my profession?" Years back the answer might have been, "Nothing." But things have changed. These days it's important for actuaries to take an enterprise-wide approach to their thinking about their internal relationships.

Networking that leads to strong, trusting relationships with people in your department and in other departments is essential for helping you get your job done more effectively. A strong internal network:

- **Increases your job satisfaction.** Work is more enjoyable when you see the bigger picture and how you fit into it.

- **Makes connections that improve communication.** You get answers faster.

- **Facilitates collaboration that makes ideas flow.** You get help with problem solving, product development and getting your job done.

- **Increases your ability to influence others.** When you have influence, colleagues do what you need them to do.

- **Provides pathways for sharing knowledge.** Your ability to learn and grow improves.
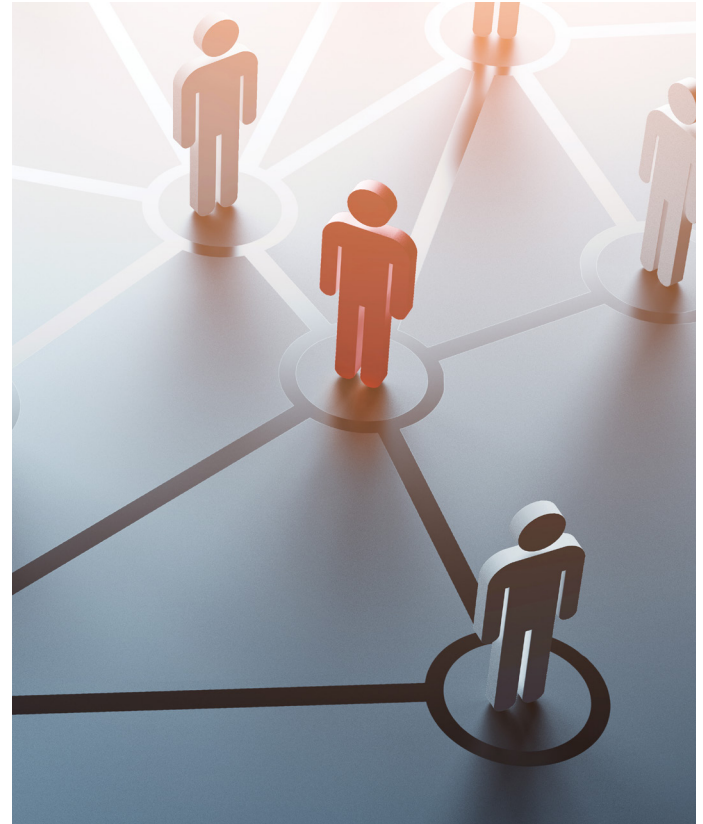
And speaking of growth, internal networking gives you greater visibility so that your name comes up for interesting assignments and promotional opportunities, wherever they might occur in the organization.

WHY COMPANIES SHOULD ENCOURAGE INTERNAL NETWORKING

We don't have to tell you that many actuarial career opportunities are with large, bureaucratic companies where people work in silos, decision making is top-down and the entire enterprise moves at a snail's pace. That's not healthy for these organizations and some will die—taking with them the employment options they now provide to actuaries. To quote Steven Denning, author of *The Age of Agile*, "Continuing the management practices and structures of the lumbering industrial giants of the 20th Century won't cut the mustard." And a key to survival is to create enterprise-wide agility, where the entire company functions as an interactive network, not a top-down bureaucracy. This is a cultural sea change.

People who aren't born with the networking gene can develop the skills to create effective strategic internal networks through facilitated learning, on-the-job skill-building activities and practice.

In our time working in a large financial services company and in a large human capital consulting firm, we experienced siloed cultures. You had your niche and you stayed in it.

At the consulting firm, actuaries did the retirement work, benefits consultants did the health insurance work and compensation consultants did the executive and employee pay work. Attempts at getting us to develop business across practices were futile. The major impediment was lack of trusted relationships with those in other practices. Consultants were protective of their client relationships. Introducing someone from another area of the company, especially one you didn't know well, carried too much potential risk.

At the financial services firm, there were firewalls that prevented staff from thinking as a whole enterprise. Communications didn't flow across the company. There were separate email systems. And there was no consistency in HR programs across the company.

These firms had different issues, but the result of the silos was the same. Neither were able to perform up to their potential.

Dr. Heidi Gardner is a distinguished fellow at Harvard Law School's Center on the Legal Profession, a lecturer in law and chair of the school's Accelerated Leadership Program. She writes about what she calls "smart collaboration" and its benefits: "The evidence is clear that those benefits do accrue for the individual profession, their organisations and their customers when experts collaborate across silos to tackle sophisticated issues."[1] It can, in fact, lead to the breakdown of silos and hierarchical management structures. The result: a more nimble organization where cross-functional teams deliver value faster, with greater quality and predictability, and with greater aptitude to respond to change.

Research by Gardner and others shows there are good reasons to create a strategically networked workplace where strong, trusting internal relationships are the rule, not the exception. Here are just some of the recent findings:

- **200 percent higher productivity.** People with extensive face-to-face networks are roughly twice as productive as people who keep to themselves or communicate only via email.[2]

- **140 percent lower turnover.** Internal networking boosts job satisfaction and the desire to remain in a job, remarkably reducing the likelihood of turnover.[3]

- **160 percent higher revenue.** On average, when product development specialists teamed up across three different business units, revenue from their customers was significantly higher than the sum of their individual sales in the prior year.[4]

- **$31.5 billion cost savings.** The failure of employees to share knowledge effectively through open communication is estimated, among Fortune 500 companies, to be quite costly.[5]

- **156 percent greater appeal to consumers.** Concepts developed by teams of three or more people are much better received by consumers than a team of two or a single individual.[6]

HOW TO GAIN INTERNAL NETWORKING PROFICIENCY

Some people are natural networkers, but many—especially introverts—are not. The good news is that people who aren't born with the networking gene can develop the skills to create effective strategic internal networks through facilitated learning, on-the-job skill-building activities and practice.

There are many skills involved in effective networking. In our experience, though, we've observed six core competencies that effective strategic internal networkers demonstrate:

- building trusted relationships,
- creating connections,
- cultural and political savvy,
- enterprise-wide thinking,
- influence and
- open communication.

When a company invests in facilitated learning and development of these competencies, two things happen. In addition to sending a strong message that a change in behavior is important to the business and expected of everyone, it goes a long way toward creating enterprise-wide agility, allowing the company to reap other human resource, financial and customer benefits.

Table 1 explains the six strategic internal networking competencies, along with tips for developing them in the natural course of daily work activity.

Table 1
Six Strategic Internal Networking Competencies

Networking Competency	A Pro at This Competency…	One Way to Develop This Competency Is To…
Building trusting relationships	Easily establishes rapport with people. Follows specific steps to build trust that forms the foundation of effective relationships and leads to business results. Works to earn the respect of others.	Practice being a good listener. Even when engaged in work-related discussions or meetings, place extra emphasis on listening actively, drawing out the interests, concerns, needs and objectives of others. Demonstrate you are listening and taking others seriously by restating what you are hearing and reflecting back your understanding of what others are communicating. Seek points of agreement between your positions and theirs, making an effort to point out the similarities, not just the differences.
Creating connections	Understands that cross-company networking is part of one's job. Works to connect with others and to connect people across the organization.	Make introductions for others. Ask someone in your network what challenges they're facing within the organization. Think about whom you know who would be able to help with one or more of those challenges, and make an introduction. Look for an opportunity to do this personally, either by three-way phone call or video conference. If the opportunity doesn't present itself, an email introduction, in which you tell each person a bit about the other and encourage them to connect, can also work.
Cultural and political savvy	Sees the cues and nuances of culture and group dynamics. Adapts one's behaviors in order to network most effectively within the system. Understands the environment and can navigate with political astuteness.	Pay special attention to nonverbal cues about what's going on beneath the surface. Think about how others must be feeling in a situation, what is happening and what circumstances are bringing you together. Look for ways to validate your perceptions. Ask others you trust about their own perceptions of a situation and compare what you hear to your own observations. Pay attention to your own feelings and reactions as well.
Enterprise-wide thinking	Understands the big picture. Takes a perspective that includes the entire company, rather than just the perspective of one's own function or business unit. Aligns and integrates work to maximize quality and efficiency. Promotes a high level of networking and cooperation among diverse work groups.	Seek peer review of analyses or decisions. After developing a plan or making a list of possible solutions to an issue, ask a peer from another area to review your thinking and look for other solutions and for possible oversights–for example, activities in other areas that might be impacted by, or might impact, your plan. Make changes to address any issues or potential solutions you may have overlooked.
Influence	Builds networks and develops and uses effective strategies to gain others' support for ideas or actions that will benefit the organization. Expresses one's own point of view effectively in the face of resistance or doubt.	Build an "informal influence network." Determine who should be a part of your network by analyzing which positions (and people) have the most direct impact on your job and your success. Make it a point to get to know these influential individuals. Remember to do the research needed to find the emotional connection between you and them. Find out what interests them and what they're passionate about. Take a few extra minutes to chat informally about nonwork interests before launching into a more formal business agenda.
Open communication	Contributes to creating an environment in which it is safe to respectfully challenge each other's thinking. Encourages open dialogue, demonstrates active listening and invites constructive critical feedback. Knows how to have a conversation without dominating it.	Build your ability to understand others. Discuss your strengths and weaknesses with a boss, mentor or peer. Ask for suggestions and periodic feedback regarding your efforts to become more thoughtful and adaptive in your approach to perceiving and understanding others. Engage the other person in discussions about your planned approach to more unusual or complex situations.

There's no need to wait for your company to initiate a silo-busting culture change. Whether you are an actuarial executive, manager or individual contributor, you can begin to make a difference. If you lead people, you can set an example by demonstrating the six strategic internal networking competencies and making it clear you want those you lead to do the same. If you're an individual contributor, you can adopt these behaviors on your own to enhance your own performance and set an example for others. ■

Pat Schaeffer is a principal at Talent Strategy Partners and cofounder of Silo-Busting Networking. She helps senior executives develop talent for the future. Pat is vice chair of the board of Beacon, an executive networking organization. She can be reached at *pschaeffer@tsphr.com.*

Barbara Taylor is a business partner at Janbara & Associates and cofounder of Silo-Busting Networking. She coaches executives and designs creative leadership development programs. Barbara is Beacon's membership committee chair. She can be reached at *btaylor@janbara.com.*

ENDNOTES

1 Gardner, Heidi. The business case for collaboration. *Communication Director.* June 16, 2017, *https://www.communication-director.com/issues/communication-and-collaboration/business-case-collaboration/#.Xz1NbZNKhz8* (accessed August 24, 2020).

2 Waber, Ben. 2013. *People Analytics: How Social Sensing Technology Will Transform Business and What It Tells Us About the Future of Work.* Upper Saddle River, N.J.: FT Press.

3 Porter, Caitlin M., Ang Eun Woo, and Michael A. Campion. 2015. Internal and external networking differentially predict turnover through job embeddedness and job offers. *Personnel Psychology* 69, no. 3. *https://www.researchgate.net/publication/283951822_Internal_and_External_Networking_Differentially_Predict_Turnover_Through_Job_Embeddedness_and_Job_Offers* (accessed August 17, 2020).

4 Gardner, Heidi K. 2017. *Smart Collaboration: How Professionals and Their Firms Succeed by Breaking Down Silos.* Boston: Harvard Business Review Press.

5 International Data Corp., cited in Not sharing knowledge costs Fortune 500 companies $31.5 Billion a Year. *Nuclino.* November 27, 2018, *https://blog.nuclino.com/not-sharing-knowledge-costs-fortune-500-companies-31-5-billion-a-year* (accessed August 17, 2020). See also Myers, Christopher G. Is your company encouraging employees to share what they know? *Harvard Business Review.* November 6, 2015, *https://hbr.org/2015/11/is-your-company-encouraging-employees-to-share-what-they-know* (accessed August 17, 2020).

6 Nielsen. *How Collaboration Drives Innovation Success: A Benchmark Study on Collaboration Ideation and Its Impact on Innovation Performance.* March 18, 2015, *https://www.nielsen.com/us/en/insights/report/2015/how-collaboration-drives-innovation-success/* (accessed August 17, 2020).