In Part I, we began looking at key leadership principles of the ChangeWorks and MasterStream systems developed by T. Falcon Napier. These principles help us understand what drives human behavior and change:

**Principle #1:** People are not by nature resistant to CHANGE. In fact, change is the central activity of the human experience.

**Principle #2:** People will only change in order to gain or maintain CONTROL (i.e., avoid losing CONTROL).

**Principle #3:** Because there is dysfunction in the world, the promise of greater CONTROL still doesn’t guarantee people will change.

**Principle #4:** TENSION is the critical ingredient which determines what changes will be made and when those changes will take place.


In Part II, we’ll be looking at the five levels of tension. It’s not enough just to understand the concept of tension. If you want to lead, you must understand how someone responds at different levels of tension.

**THE FIVE LEVELS OF TENSION**

In Napier’s ChangeWorks system, he defines five levels of tension. From the highest level of tension to the lowest, these are: STRESS, POWER-STRESS, POWER, POWER-APATHY and APATHY. These are all represented on The Change Grid (pictured below). You want to become familiar with these five levels of tension so that you’ll know them when you see them and you’ll know what to do to manage the tension in yourself and others.
The Stepping Stone
Publication Schedule

Publication Month: October
Articles Due: July 22
Challenging the way we’ve done things is never easy. Coming up with a great idea is only a small part of true innovation. Funding that idea from inception to implementation can be the real challenge, especially in an environment where even the status quo doesn’t have guaranteed financial backing. How do you make something big happen? Do we need to make changes to address the challenges facing the financial industry today?

Resistance to change comes from those feeling threatened. Those who are bringing about the change and those who know they will benefit will likely be in the minority, but they will be in your corner. Many great ideas take far too long to germinate, because of the ever-powerful force of inertia—specifically, the part that says that an object at rest will stay at rest. The outside force acting upon it will need much more inertia to get things moving along.

The movie industry provides great illustrations of ingenuity and the challenges of change.1 I’d like to share some successes from that industry that can illustrate that even the best ideas face challenges.

Over the last 100 years, movies have evolved from silent films in black-and-white to computer-generated sensations with surround sound that makes the theater rumble. When these new technologies became available, it is easy to imagine that everyone welcomed these changes with open arms—but that wasn’t generally the case. At every innovation, there were challenges.

In the late 1920s, when the technology was first available to integrate sound with moving pictures, only a few theaters had sound equipment, and owners were reluctant to invest in something so different and untested. Compounding the issue, the various production companies recorded on two different formats and the theaters had to choose which format to adopt. The vendor of one format—the Vitaphone—had high costs to implement and they had difficulties keeping up with demand. This sealed their fate. The competing format—Movietone—became the standard for movies with sound.

Another transitional point in the movie industry was going digital. In the early 1990s digital video didn’t have the color quality that we see today. Selling the technology took two decades of research, development and marketing efforts. At the time, major theaters wouldn’t take interest in such a gamble, so the developers of the technology approached the largest independent producer of films—Lucasfilm. Fortunately the timing of their approach was good—the color issues had been resolved in time for their big demo to the technicians of Lucasfilm.

The Phantom Menace, although shot on film, became the first movie to be shown in a digital theater in 1999, to rave reviews. Disney’s animated Tarzan movie was the first completely digital movie. The animation was generated in digital, and it was transferred directly to digital projection format—no film. It was also released in 1999. As with the move to sound, now theaters were scrambling to figure out how to finance and install new equipment for this great new idea.

The digital revolution came just on the heels of many movie theaters converting their facilities into multiplexes. The cost of converting to digital

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1 From Inventing the Movies by Scott Kirsner

CONTINUED ON PAGE 4
was not cheap—estimated at $100,000 - $250,000 per screen! Some theaters were able to take on the financial challenge, others were not.

Our industry has had challenges as well, although different. How can we take the lessons of the movie industry and apply them to actuarial work? A few key lessons:

1) Dramatic change and innovation is required in any industry that will thrive in the long run. The movie industry and the insurance industry are both relatively young. Are we prepared to drive the changes that will be required to continue to be a vital competitor in the financial sector? Courage and determination will be needed for the long haul.

2) Change is never easy. While competing forces may create winners and losers, the competition can speed up the process by adding urgency to price containment and delivery. Treat competition as a driving force that helps us all achieve more.

3) When the idea is right, and the delivery and implementation works, there will be winners and losers. There are risks to be taken, and rewards to reap. Be sure that you have a great team to back your great idea. The marketing and implementation are vitally important for success.

Necessity is the mother of all invention. Hard times bring out the best in us.

Our current economic environment will demand that we think differently and do things differently. Are you up to the challenge? Are you ready to be at the front edge of change? Actuaries are uniquely equipped to view today’s Risks as Opportunities. I encourage you to continue to challenge the status quo, and be prepared to face the obstacles presented by change.

Let Your Voice Be Heard!

THE SOA 2009 ELECTION POLLS ARE JUST AROUND THE CORNER! POLLS OPEN ON AUGUST 3 AND CLOSE ON AUGUST 24 AT 5:00 P.M. CENTRAL DAYLIGHT TIME. ONLINE VOTING FOR THE ELECTION IS OPEN 24 HOURS A DAY.

Visit the SOA Web site at http://www.soa.org/elections to learn more about the candidates. You’ll find:

• Video recorded campaign speeches by president-elect candidates.
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• Entire ballots including the Board and Section Council candidates.

Let your voice be heard ... please vote.

Actuaries
Risk is Opportunity
Stress is the place where “I know I need to do something, but I don’t know what to do! Just tell me what to do and I’ll do it.”

Key Word: Panic.

Level of Control: Out of Control.

Decision-Making Abilities: Highly Reactive. Someone in Stress will definitely make decisions, but it’s doubtful they’ll be good ones. They’ll pursue the first course of action they feel will give them control, but will quickly abandon that course of action if they stumble across another alternative or two.

Overall Productivity: Counter-Productive. Productivity is poor because of the reactive decision-making and the many false starts.

POWER-STRESS

Power-Stress is the next highest level of tension.

Power-Stress is the place where “I know I need to do something, I know exactly what I’m going to do, and I’m going to do it now!” It’s in Power-Stress that someone will take immediate, definitive action.

Key Words: Change, Buy.

Level of Control: Seizing Control.

Decision-Making Abilities: Active. Someone in Power-Stress is very decisive about the action they are taking. The potential danger is if they haven’t adequately evaluated this option to see if it is the best alternative.

Overall Productivity: Very Productive. Immediate, definitive action is being taken. Little time is wasted on hand wringing and little time is spent on analysis.
**POWER**

Power is the middle of the five levels of tension. In Power someone’s perceived ability closely matches their perception of how challenging a situation is.

Power is the place where “I know I need to do something. I just haven’t decided what to do yet, so I’m looking at options.”

**Key Words:** Evaluate, Shop, Consider

**Level of Control:** In Control.

**Decision-Making Abilities:** Highly Proactive.
Someone in Power is in an aggressive information-gathering mode and seeks to explore and understand as many alternatives as possible.

**Overall Productivity:** Generally Productive.
Someone in Power takes their time to make a decision. But when they do make a decision, it’s likely to be a good one. The productivity is great, as long as the person doesn’t get stuck in Power by delaying making important, time-sensitive decisions.

**POWER-APATHY**

Power-Apathy is the next lowest level of tension. Here someone’s perceived ability starts greatly exceeding their perceived challenge.

Power-Apathy is the place where “I know I need to do something, I just wish someone else would do it.”

**Key Word:** Delegate (“Toss” or “Dump” may be more accurate).

**Level of Control:** Assumed Control.

**Decision-Making Abilities:** Passive. In Power-Apathy, everything becomes routine, a system or on automatic pilot.

**Overall Productivity:** Somewhat Productive.
Productivity still exists here, but is lower due to the lack of urgency and the passive decision making.

**APATHY**

When tension is at the lowest level, we describe that person as being in Apathy. Apathy occurs whenever perceived ability grossly outweighs perceived challenge. You might find the senior management team of a mutual insurance company that has a huge surplus to be in Apathy. There is no urgent need to change anything.

Apathy is the place where someone says, “Do something? I don’t need to do anything. Things are fine the way they are.”

**Key Word:**

**Level of Control:** Illusion of Control.

**Decision-Making Abilities:** Highly Inactive.
Someone in Apathy doesn’t feel a decision needs to be made. Everything is fine.

**Overall Productivity:** Unproductive. The irony here is that Apathy is the unavoidable side effect
of mastery. Because mastery has been achieved, a person in Apathy has a tendency to believe the world has stopped changing. They tend to overestimate their abilities and underestimate the challenges and, as a result, stop adapting. They may not be as powerful, prepared, protected or productive as they think they are. But try convincing them of that!

TENSION CUES
In order to manage tension, we need to understand how to read physical, tonal and verbal cues of the five levels. We need to know what each level looks like.

Stress Cues
Someone in stress is pretty easy to identify. They tend to move around a great deal, finding it hard to be still. Their gestures are large and wild and their facial expressions show the intensity of their emotional state. In Stress, someone will speak faster, louder and at a higher pitch. They tend to communicate in random thought fragments—without pause or punctuation.

Power Cues
Physically, someone in Power is the perfect picture of balance. They tend to sit or stand in an upright and poised manner—back straight, shoulders squared, head held high and eye to eye. Their gestures are deliberate and controlled, strongly emphasizing whatever point they’re making. Their facial expressions indicate pride and self-confidence.

Apathy Cues
Someone in Apathy tends to sit somewhat draped on the furniture. Everything about them seems heavy and slow. They tend to lean away from you or withdraw. Gestures are few and small. Their facial expressions convey a lack of enthusiasm.

Their speech is slow, pitch is low, volume is soft and inflection is a monotone.

Power-Stress Cues
These cues are a blend of the cues from Stress and Power.

Power-Apathy
These cues are a blend of the cues from Power and Apathy.

SUMMARY
One of the most important skills in leadership is tension management. In this article we covered a fundamental skill of tension management: identifying someone’s level of tension. Once we’ve identified someone’s level of tension, we’ll have a clear pathway as to how to respond to them as a leader. In Part III of this series (October 2009 issue of The Stepping Stone), we’ll look at how to manage another person’s level of productive tension. This is one the most critical skills to being an influential leader.

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Working at Home
by Chris Fievoli

A few years ago, there was an episode of The Simpsons in which Homer imagined what it would be like if he could work at home. Of course, like most of Homer’s other ideas, this one wasn’t quite grounded in reality. His vision of working at home included sitting under the sun, in his backyard, sipping lemonade.

Here are some suggestions for a realistic work-at-home arrangement, based on my own experience doing it for several months now.

CAN I DO IT?
I will be perfectly honest—this will not be feasible for everyone. If you supervise a large number of staff members, then your physical presence in the office will probably be required on a daily basis. However, there still may be opportunities to work at home on a temporary basis, and some of the suggestions here may come in handy.

Actuarial jobs are quite varied, so it’s impossible to try and address each situation individually. To assess whether your current role could function from a remote location, try the following exercise. Look at a typical work week, and estimate the amount of time spent working within the following categories:

1. Working completely independently
2. Working with others through e-mail or over the phone
3. Working face-to-face with others offsite
4. Working face-to-face with others onsite

If you work for a large enough company, you may be surprised at how much time you spend in the second category. It has become commonplace to conduct business simply by picking up the phone or sending an e-mail message—even if the recipient is in the same building. If you are in consulting, you may be spending a lot of time at your clients’ places of business, in which case the location of your “base of operations” may not be important.

All in all, if you spend a significant amount of time working in the first three categories, then working at home or some other location could be a practical option.

LOSING THE FACE TO FACE
But what about that fourth category? Odds are that you spend at least some of your time working directly with others. How do you replicate that if you are working offsite?

This is where the management of your work-at-home arrangement becomes crucial. Your challenge will be not only for you to work effectively, but for others to work effectively without your physical presence.

One key tactic will be to ensure your availability to others. Co-workers will not be able to drop by your office for a quick question, so you need to ensure that you are accessible over the phone or via e-mail. It will be important to respond to messages promptly. If you plan on being absent or unavailable for a period of time, let your key contacts know that ahead of time. You don’t want the old credo of “out of sight, out of mind” to start applying in your situation. If you normally let messages pile up and then answer them en masse, that would be a good habit to break.

The main piece of advice here is to “create the illusion”. If you make it seem like you are in the office when you aren’t, then you can conduct business with your co-workers with minimal disruption.

LIVING WITHOUT MEETINGS
Some of you may consider it to be a blessing in disguise to no longer have to attend meetings, but more often than not, important business gets conducted in this setting. By being offsite, though, you need not do away with meeting attendance altogether. Conference facilities are plentiful, and most companies are equipped with speaker phone systems that allow people to attend meetings over the
Working at Home

EMBRACE TECHNOLOGY

The great thing about technology is that it makes it a lot easier to work from a remote location. If you have a laptop, a cell phone and a wireless connection, you can function virtually anywhere. If you plan on working at home, do some research and take full advantage of what’s available. Voice over internet technology can allow you to have telephone access with a fixed, portable phone number through your internet connection, which will help you in “creating the illusion” as described above.

The downside is that you may have to serve as your own IT department. If you are comfortable with solving technological problems, then this may not be a concern. If you are reluctant to take on that role, it may be worth your effort to arrange for onsite support—preferably same day. Your computer will be your main connection to the outside world, and living without it for a couple of days (or even a few hours) will not be acceptable. Don’t forget to consider the company-provided services you may take for granted, such as automatic backup of your documents on a public shared drive. You may have to initiate that process yourself, so look for tools that make it easy to do.

HOME IS STILL HOME

Working at home may be a great way to achieve the perfect home/life balance. It may also be a good way to destroy it if you don’t manage it carefully.

Travelling to a physical place of work has the psychological advantage of letting you know when you’re “on the clock”. When you leave at the end of the day, you know that your work day is done, and personal interests can now take priority. If you

CONTINUED ON PAGE 10
are working at home, that divide won’t be present. If you are off-hours, and can resist the temptation to check in on things at work (or at least jump in and jump out quickly), then you can probably maintain that balance. If not, then you run the risk of always being on the job—and your family probably won’t appreciate that.

Set some boundaries. Having a dedicated workspace makes a lot of sense. As soon as you step into your home office, that will be a signal to you—and others—that this is time committed to work. Create your own “hours” during which you are “off” except for emergencies. Try turning the computer off at those times to avoid the temptation to check email and get drawn back into work issues.

Of course, being at home offers a number of temptations. In that case, try to keep your self-imposed interruptions to a minimum. If you would normally take five minutes to head down to the cafeteria for a coffee, try to take the same amount of time for any breaks while working at home. If you want to throw a load of laundry in the washer, that probably works. If you want to cut the lawn, that’s another story.

Your family will need to make adjustments as well. If you have children, give some extra thought to the arrangement. If they are at home during the day, don’t expect that you will be able to tend to their needs and still do your job. They may not understand that you are actually at work, and that will cause problems.

Obviously, if your kids are older, they will have an easier time with the concept, and they will just need to be reminded to keep the interruptions—and the noise—to a minimum. Work out some signals so they know when you are on the phone, or in the middle of something that requires your full attention. You will of course have more flexibility during your day, but don’t let others take undue advantage of that. You will have to maintain appropriate boundaries.

And, finally, if you find the fridge is in too close a proximity, you may want to consider a more disciplined exercise program, unless you want to go back to that Simpsons example. …

SELLING THE BOSS

The only way Homer could get to work at home was to force his weight to be over 300 pounds. Some of you may be thinking that, in your situation, it will take something equally outlandish to get your boss to buy into you working at home. That will be the case sometimes. There’s no guarantee that your employer will agree with the arrangement, no matter how much sense it makes to you. But if you think there is a possibility, you might want to consider the following strategies to make your case:

• **Try a test run.** There is no harm in working at home on a trial basis. If it works, then you will be able to demonstrate that it can be effective. If it doesn’t, then at least you’ll know.

• **Take advantage of the extra time.** Your workday starts as early as you want it to start. If you are normally commuting to work, then you may end up with a couple of extra hours in your day. If you can demonstrate an ability to work more efficiently, or meet deadlines more consistently, then that can be characterized as a win-win.

• **Look for the pluses.** Your boss may initially view this as a net reduction in productivity, and be reluctant to agree. Your challenge will be to find instances where it actually works better. Again, this will depend on your circumstances, but you should be able demonstrate some advantages.

IN CLOSING

Ultimately, it’s up to you to assess whether working at home would be appropriate for you. In some cases, it just won’t fly. But if you see the potential, then you will need to be part salesperson (to your employer) and part disciplinarian (to yourself). If you can develop a strategy for making it happen, then give it a go. You may find it’s the ideal arrangement you’ve been looking for.
Standing Out in a Competitive Marketplace
by Mary Kilkenny

In today’s marketplace, effective career management doesn’t simply mean doing your current job well. The majority of actuaries are knowledgeable about their daily responsibilities and perform adequately in their positions. To stand out from the crowd and make yourself most marketable, you must also focus on your professional skills, attitude and networking ability. Developing these talents and broadening your areas of experience will put you ahead of the competition when it really counts. When the opportunity arises to interview for your dream job, will you be prepared? Whether or not you are currently seeking a new role or promotion, set yourself apart by incorporating the following tips into your career management plan.

Be well-rounded.
Seek out opportunities to grow your knowledge base. This might include tackling job responsibilities outside of your usual scope, or rotating to a different department within your company. Volunteer for corporate committees or projects that will challenge you to work with a diverse set of products, people or systems. Mentor a summer intern or actuarial student. Show current and future employers that you are willing to take on additional responsibilities and are able to work outside of your comfort zone.

Challenge the status quo.
This can’t be stressed enough. Employers count on actuaries to improve current best practices in areas such as product development, finance and risk management in order to get a competitive edge in the insurance marketplace. It is no wonder that nine times out of 10, employers look to hire actuaries who take initiative and have a proven track record for innovation. When you have an idea for changing a process or making it more efficient—speak up! If your immediate supervisor won’t listen to your ideas, find someone who will. Better yet, do research or run test data to prove how your suggestions could be effective at saving money or time for your department or company.

Get involved.
We’ve all heard the old adage “out of sight, out of mind.” Don’t hide behind your desk all day! Get to know your colleagues by participating in office activities such as potlucks, team sports or group lunches. Demonstrating that you are a team player outside of the office will reflect on your professional habits and abilities. This is also a great way to build a professional network of individuals who will recommend you for future promotions or projects.

Maintain perspective.
We all have a tendency to get stuck focusing solely on the projects that are currently stacked on our desks. Participating in community or volunteer work will provide you with a realistic perspective on the task at hand, as well as prevent job burnout. Believe it or not, the few hours you spend rebuilding an elderly person’s roof or tutoring a grade-schooler will help you keep a more level head when dealing with client or management deadlines.

Have a positive attitude.
The key to scoring your dream job is resiliency. Don’t let past successes or failures weigh you down. Remember: you may not have any control over a situation, but you have complete control over how you handle it. If you make a mistake along the way, learn from it and move on. You have to bounce back to get on the track to major achievements. If you didn’t get the job or promotion this time, know that something better is bound to come along. Encourage yourself: Avoid saying “I’ll try” and “I hope to.” Replace those with “I will” and you will!

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Don’t hide behind your desk all day!
Get to know your colleagues …
Is Keeping Up with Technology Overrated?

by Tony Batory

Information technology has come to the front of the healthcare reform debate, and your recent article1 underlines a recurring theme about its value. But for some years, I have had the impression the technology is overrated.

Earlier in this decade, there were two incidents:
1. Hype over tech pushed the NASDAQ over 5000. And the bubble burst when the market realized that supporting profits (and value) just weren’t there.
2. The second incident was personal; I was deciding if I should get a cell phone. My actuarial side said that the probability of an emergency with no other recourse was too small to justify the cost. I could not put any value on ‘buy a gallon of milk on your way home from work’.

Today, I still don’t have a cell phone and benefit from the lack of silly interruptions and I always drive with two hands. Don’t get me started on bills with 100 line items, multiple-year contracts or warranties on lost, stolen or wet units.

More recently I have turned my impression into a demonstration with simple semantics. Information is not power; knowledge is power. Knowledge is a subset of information that is useful, reliable, statistically credible, pertinent, legally enforceable, usable and applicable.

I’m not talking about the 13th decimal place on a spreadsheet or an Internet search that produces 2.5 million references. As technology makes more information available, knowledge becomes a smaller and smaller subset. We don’t have a knowledge super-highway, knowledge technology departments, knowledge science programmers or messages sent FYK.

In the healthcare ‘modernization’ debate, there’s significant discussion about technical advancements, e.g. to define efficient treatment protocols. Earlier generations of managed care providers were successful making changes in this area. But the social and legal environment pushed back on the invasive/intrusive nature of managed care. Whether we have high-tech support for this newest generation of managed care may be irrelevant.

I’m certain that techies will disagree with what I’ve said. Let me try something more palatable. It’s not the technology that has value, but how you use it. Would I want an entry level person to text me during a meeting? NOT. ☹

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1 “Why Keep Up With Technology” by Paula Hodges, April 2009 issue of The Stepping Stone.
Dear Stepping Stone:

I have an employee that has been in the same position for many years. I’m new to the area, and I find myself in a situation of understandable ignorance and having to ask this employee questions not only because his/her actions are not in agreement with the policy manual, but because I need to understand why he/she is doing some of those things.

When I attempt to get answers, the employee will run to my boss and claim that the way I’m speaking is offensive, thus creating two problems for me:
1. My boss’s pacification of the employee is undermining my authority, by not sending the employee back to me and allowing us to work through the situation, and
2. Of equal if not more importance, letting the employee continue not to follow policy.

Therefore, I have an employee who can avoid correcting behavior and continues to bypass company policy by simply going over my head and claiming that I spoke in a demeaning or condescending way.

With that said, the first thing I want to do is take inventory of my management style. I need to ask myself, “Is there something to what my employee is saying?” If so, how can I change the way I ask questions and communicate so as to not create the perception that I’m speaking down to my employees?

I’m of the opinion that some of this involves perception, and you cannot always anticipate how another will perceive what is said, but one can decrease the possibility of a negative perception by changing the words, phrasing and/or tone of what is being said, particularly in situations where resolution is needed quickly.

Changing one’s phraseology will take time, but I believe it’s an investment worth making as it could change not only how your employees respond, but how everyone around you responds. I’ll use your suggestion of GROW; I think it is sound advice.

Sincerely,

Blindsided

Dear Blindsided:

The last issue addressed ways to approach communications and how they are perceived.¹

As for the issue between your employee and your boss, it seems like you need to find a way to create a stronger relationship with your boss as well. You might think about how you could sit down with your boss and talk about the situation. (You could even use the GROW model to try to work through the situation—there’s no reason it has to be used only in a downward direction.)

One possible goal would be an agreement with the boss that the next time you need to have a discussion with your employee, all three of you will meet together. You will still deliver whatever you need to communicate to your employee, but now your boss will be a direct witness to how you discuss things, and your employee would no longer be able to go around you to put a separate spin on it with your boss.

Good luck!

PS: I’ve talked about communication issues and creating influence in past issues of my Career Tips newsletter. You might want to browse around—I have the table of contents and selected articles on my Web site at http://www.JHACareers.com/Newsletter.htm. If there’s a particular back issue that seems relevant, let me know and I’ll forward it to you.

¹ See “Dear Stepping Stone: The GROW Model for Coaching” in the April 2009 issue of The Stepping Stone.
How to Single-Task Your Way to Success
by Doreen Stern

D o you:
• Read e-mail while talking on the phone?
• Talk on the phone while driving?
• Read while watching TV?

Sure. Doesn’t everyone? That way you accomplish twice as much. Or so the theory goes.

Multitasking sounds good—get more done in less time. That way, you can be a productivity prince or princess. Unfortunately, it doesn’t work that way. Why? You make more mistakes, you accomplish less and you feel overwhelmed. The worst part of multitasking is that it negatively impacts your relationships with your loved ones and co-workers. And with yourself.

Where did the idea of multitasking come from? So-called productivity experts pushed the concept of multitasking based on how computers work. Picture yourself sitting at your computer writing a report. At the same time, you’re downloading music. In computer-speak, you’re using Microsoft Word in the foreground, while the download is occurring in the background. Two things are happening at the same time, enhancing your productivity.

Except your computer is actually doing only ONE thing at a time, just so fast it appears as if it’s doing both tasks simultaneously. Your computer switches back and forth between tasks several thousand times per second. It does this so fast that no information or time is lost.

How is your brain different from a computer? Your brain can problem-solve in ways that computers can’t, yet your brain doesn’t have the capacity to switch back and forth between activities without losing the information currently in working memory.

When you interrupt a task you’re engaged in, even just for a minute, by picking up your ringing telephone, whatever you were focused on before you picked up the phone is lost from your working memory. As you check to see who’s calling, the data currently in the forefront of your mind disappears. If you want to pick up the thread again, you have to reconstitute it. Retrieve it from long-term memory—or look for clues in your environment, such as checking the notes you made about what you were working on.

WHAT’S SO BAD ABOUT MULTI-TASKING?

Studies conducted at both Harvard and the University of Michigan indicate that multitasking does a lot more harm than good. Although people work faster when they multitask, they produce less. For example, people who spend time stopping and starting tasks take two to four times longer to complete them and make significantly more errors. Further, brain scans show that juggling tasks reduces the brain power available for each activity. Multitasking also causes stress, because it makes your brain switch back and forth between projects and retrieve lost information. As a result, you feel harried and anxious. Over time, stress hormones from multitasking can damage memory centers in your brain.
How about talking on your cell phone while driving? That’s a good way to maximize time, right? Only if you think driving while under the influence makes sense. Research has shown that the risk associated with using your Bluetooth cell phone while driving is akin to driving drunk.

Then there’s the human component:
- Multitasking means that you may be talking to your child while driving. Do you give them your full attention? No.
- It may mean that you’re having a conversation with your spouse while you’re scanning the Internet. “Uh-huh,” you mindlessly reply when they ask if you love them.
- It may mean that you’re checking e-mail while you’re on the phone with a colleague. “What’s your opinion, John?” she asks. “Huh?” you reply, sounding disengaged—because you are.

Worst of all, multitasking makes it impossible for you to live consciously. You’re in two places at once, which means you’re NOWHERE. To feel happier and be more successful, “Be Here Now.” Love your life with all your heart and with all your mind.

TRY THIS:

1. Resolve to do one thing at a time.

2. In a notebook, make a list of all your outstanding tasks. All of them. Get them out of your head. (I suggest using a notebook so all your lists are in one place.)

3. Pick one task to focus on. I usually start with the EASIEST. Why? So I can experience success. I know that many productivity experts suggest tackling the toughest task first. That’s fine for folks who are naturally disciplined. I’m not. When I tackle the toughest task first, I just sit there, frozen by the enormity of what I’m trying to do.

4. Write down in your notebook what you’re going to do and set the timer on your phone for 17 minutes.

5. Go to work.

6. Write down in your notebook any distracting thoughts, so you can come back to them later. For 17 minutes, choose to let your phone go to voice-mail. Resolve not to check e-mail on your computer or Blackberry. Turn off the sound associated with new e-mails coming in, so you’re not disturbed.

7. When 17 minutes is up, pump your fist in the air and shout “YES!” to congratulate yourself: You’ve consciously chosen how to spend your time, your most valuable resource.

8. Get up and take a short breather. Stretch and look out the window. Drink a glass of water, because drinking water reduces stress. Then recommit yourself to completing another chunk. Or decide to do something completely different. Remember, it’s your time—and your life.

Dr. Doreen Stern is a motivational speaker, writer and business coach in Hartford, Conn. She is currently working on a book entitled, &emdash; Change Your Life in 17 Minutes! She can be reached at Docktor(D)DoreenStern.com, or at 860.293.1619.
Spotlight on Leadership: How to Achieve Exceptional Team Performance
by Liz Bywater, PhD

W e live in extraordinary times. Economic, social and political landscapes are in flux across the globe. Job security is on the decline. People are working harder than ever, taking on more responsibility, with fewer resources, and feeling tremendous pressure to perform.

There has never been a greater need for exceptional leadership.

Outstanding leaders recognize that sustainable results, in good times and bad, stem from the collective contributions of their people. Superior team performance leads to bottom-line success for the entire organization.

Whether you are taking on a new leadership role and inheriting an existing team, adding new members to your group, or establishing a completely new team, great team performance begins with learning about whom you’ve got. Ask yourself how well you know each of the unique individuals that comprise your group.

WHO ARE THESE PEOPLE ANYWAY?
Take the time to get to know your team members as people:
• Are they newly married or divorced?
• How old are their children?
• What joys and challenges do they face in their home lives?

Remember that people bring their entire selves to work. The better you know the folks who show up for work each day, the better you can help them manage the stressors that threaten to impair performance. While you’re at it, give your team a chance to learn something about who you are, too. This is an important step in gaining credibility, building trust and fostering strong relationships.

LEARN ABOUT MANAGEMENT NEEDS.
• What type of support does each member require?
• Which of your reports requires frequent communication and direction?
• Who expects greater autonomy?

While few people like to be micromanaged or left completely to their own devices, there is tremendous variability in terms of individual management needs and preferences. Learn what each of your people wants from you and how each team member works best. Adapt your style accordingly.

IDENTIFY STRENGTHS.
• What does each team member do particularly well?
• How will you leverage these strengths to maximally benefit the team, the organization and the individual?

Look for opportunities to help each team member build upon existing skills and aptitudes and, where needed, develop relevant missing competencies.

DON’T LEAVE ANYONE OUT.
Don’t neglect the layers of employees below your direct reports. While the interaction with these folks may be less frequent, they still need to see and hear from you:
• Stay in touch with them.
• Get to know who they are and what they are working on.
• Convey your respect for them and your appreciation for their contributions.

There is no underestimating the positive impact this sort of connection has on employee engagement, morale and productivity.

TAKE NOTE OF TEAM DYNAMICS.
In addition to learning about the individual members of your team, you’ll need to figure out how they work together as a group:
• Are they collaborative?
• Do they freely share information and resources?
• Do they engage in open and candid communication, including a healthy dose of creative conflict?

You’ll want to assess the dynamics of your team and uncover the greatest collaborative opportunities as well as any counterproductive undercurrents of mistrust or misalignment. Remember, even a group of top performers can flounder if the team isn’t working well as a whole.

Dr. Liz Bywater is an internationally recognized expert in leadership and workplace excellence. She consults, writes and speaks on a variety of workplace topics, including exceptional leadership, outstanding communication, purposeful goal setting, mentoring for success, team effectiveness, stress management, conflict resolution and work-life balance. You can follow her on Twitter: http://twitter.com/drlizbywater and check out her blog, Career Success with Liz Bywater: http://bywatercareersuccess.blogspot.com. For your free subscription to the Bywater Journal, filled with tips for improving individual, team and organizational performance, send an e-mail to info@bywaterconsultinggroup.com. For more information, visit www.bywaterconsultinggroup.com or call 800.846.4546.
Leading Teams through Change
by Kevin Leavey

Over the past year, many managers have been faced with leading a team through some organizational change. Have you?
• If so, do you wonder if there was anything you could have done better?
• If not, are you prepared for the day you could be called upon to act?

A change could be as simple as adding a new employee, or as traumatic as a major reorganization that includes job losses. At either extreme, there are several things you can do to ease the process and put your team in the best position to succeed in the future. This article will provide concrete advice on addressing the issues that will arise when there is a significant change in your team’s membership, structure or operational functioning.

THE END

Yes, your journey actually starts at the end. Any time a leader leaves or a new leader is assigned, members leave, teams merge, etc., there is an “ending”. At such times, the team will return to what has been referred to as a “Forming” stage. The team needs to re-establish its identity. Team members often are eager and excited with high expectations, but have no idea what to do next. They will be anxious with respect to where they fit and what is expected of them. In any case, your team will depend upon you, their manager, for leadership and direction.

WHAT DO YOU DO?
• Plan what you want to do and how you want to do it.
• Ensure you have all the information you possibly can.
• When speaking with your people, acknowledge the situation you are all in. Disingenuous platitudes will only serve to alienate your team at a critical time in the team’s development.

• Recognize and address the emotional aspect of the organization change. If you do not, you run the risk of losing team acceptance of the new direction.
• Demonstrate your commitment to open communication by getting the facts out, using active listening skills and encouraging people to express their feelings.
• Address concerns about the inevitable question; “What is going to happen to me?”
• Define what is over and what will remain the same.
• Treat the past and its people with respect, but don’t stay there. It is your job to move the team forward.

WHAT CAN YOU EXPECT?

Resistance. When people are forced out of their comfort zones, they push back. The most common source of resistance comes from not knowing what is going on. The fear of the unknown can be very powerful. You pay your people for their brains. It shouldn’t be too hard to realize their imaginations can and will run wild to concoct very personal worse-case scenarios. Attack this head on. You must communicate. Give people information, and do it again and again. Say what you know. If you don’t know, commit to finding out what you can.

Another source of resistance can occur when an employee is not able to adequately perform their new job from the start. In this case, first you must endeavor to get them the needed training, resources and information. Worry later about addressing a poor person/job fit.

CONTINUED ON PAGE 18

1 My source is personal development training I received earlier in my career that was invaluable in assisting me through several organizational changes. The seminar was based upon a four-stage group development model published by Bruce Tuckman in 1965. He referred to the development model as Forming Storming Norming Performing. Ten years later, he added Adjourning to the mix. There is an abundance of references to the model on the Internet for those who wish to learn more.
Your employee may just not want to change. If he or she is not willing, first try to gain his or her buy-in through participation with the group. Later, you can manage his or her performance.

**HOW DO YOU MOVE THE TEAM FORWARD?**

While your team is “Forming”, it is your job to direct them. You will be most effective by taking responsibility and providing needed structure around goals, roles and procedures:

- Clarify department goals that align with your divisional strategy/goals.
- Clarify roles and resolve any role conflicts and ambiguities.
- Establish group procedures that will support the work of the team.
- Focus the tasks and priorities of the team while also developing good working relationships.

Depending upon the skills and experience of your team, you will most likely make decisions on your own at this stage. To avoid some common traps:

- Be sure to teach and demonstrate skills.
- Do not be dominating or overbearing.
- Encourage your team and try to draw out questions.
- Give people recognition for following directions, meeting defined standards and getting the work done.

This may sound like a lot of work, and it can be. The fruits of your labor will not materialize overnight. It will take time and effort. However, it is time and effort well spent because it returns the team to a high functioning state as quickly as possible. In summary:

- Address the situation.
- Know what you want to do and how you want to do it.
- Communicate.
- Be prepared for resistance.
- Provide the structure necessary to get your team on its feet.

A solid foundation for your team is crucial if you wish to see them become a high performing team in the future.

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**SOA Continuing Professional Development (CPD):**

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Visit [www.soa.org/cpd](http://www.soa.org/cpd) to read about how to meet the Requirement’s provisions, attest compliance and review the Frequently Asked Questions (FAQs).

**Some highlights…**

- The SOA CPD Requirement became effective on Jan. 1, 2009.
- Member input has helped to create a Frequently Asked Questions (FAQs).
- Now is the time to start earning and tracking your credits.
- Most SOA members will easily meet the Requirement with Alternative Compliance provisions.
- Members must report compliance with the SOA CPD Requirement as of Dec. 31, 2010.
Get Your Personal MBA!

by Mary Pat Campbell

I
n my last foray into the world of online business education (“Stop Paying for Business Education!” October 2008, *The Stepping Stone*), I concentrated on free materials from business schools themselves. However, much of business education can be found outside of universities—the main problem is filtering it down to useful sources. Here is a plethora of information and jumping-off points.

**Personal MBA** ([http://personalmba.com](http://personalmba.com))

This is a business education site that comes with a manifesto:

*MBA programs don’t have a monopoly on advanced business knowledge; you can teach yourself everything you need to know to succeed in life and at work.* The Personal MBA features the very best business books available, based on thousands of hours of research. So skip b-school and the $100,000 loan: you can get a world-class business education simply by reading these books.

The Personal MBA concept revolves around a booklist, organized into categories such as communication, project management, entrepreneurship, leadership and personal development. Titles include familiar business classics:

Dale Carnegie’s *How to Win Friends and Influence People*

Robert Cialdini’s *Influence: The Psychology of Persuasion*

There are also newer books on the list, such as Seth Godin’s *Tribes*, published in October 2008, which looks at the impact of new communication channels (e.g. Twitter or Facebook) on the concept of effective leadership.

The Web site includes a forum to chat on Personal MBA books and ideas, book recommendations, a blog with regularly updated entries and a feature called PMBA Insider. Most of these features are relatively new and could benefit from development. The PMBA Insider looks promising, providing free resources on a variety of topics, but the site is currently very spare. Registration requires too many steps (and is poorly implemented on the site—it can take a while to determine what is needed to sign up), and there needs to be more formal organization, such as topic categories. The future for the site looks promising, and should build up a lot of resources in the years to come.

My own recommendation regarding use of the PMBA reading list is to prioritize reading the older books on the list over the newer ones. Many of the newer titles (such as the previously mentioned *Tribes*) are faddish and will probably not have lasting relevance.

Part of the revenue model for the PMBA site is the links it has to buying the books on Amazon.com, and I recommend clicking on those links to check out the comments made by readers. Some of the books lack substance, and in those cases, the very outspoken users of Amazon.com will let you know it.

A personal recommendation from the PMBA reading list is Darrell Huff’s *How to Lie with Statistics*. Originally published in 1954, this book is a short and gentle introduction to popular distortions and misuses of statistics (and some of the numbers he quotes are good for a laugh). I read this book when I first learned statistics, and I’ve used it in my teaching of the subject since then. A good follow-up to this book (not on the PMBA list) are Edward Tufte’s books [1] on graphical presentation of numerical data, which may help you think of effective graphical presentations in your own work.

Now, you may be saying “Hey! These books aren’t free!” which is true. However, none of these books are particularly obscure, and should be available through most library systems. But if it’s free books you’re looking for, read on.

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1 For more on Tufte’s work, see “Effective Communication Despite PowerPoint” in the July 2007 issue of *The Stepping Stone*. 

... much business education can be found outside of universities—the main problem is filtering it down to useful sources.
Textbook Revolution and BookBoon.com are sites with links to free textbooks on a variety of subjects, not just business.

**Textbook Revolution**
(http://textbookrevolution.org)

Textbook Revolution is a wiki run by volunteers (anyone is welcome to edit the pages), and the site itself does not contain any books, but rather links to where they are available. Some links are in PDF format, and thus easily printable, while others are Web pages with links between sections and/or chapters, more suited to reading online. Each book has a separate entry with basic information, usually including an abstract with a comment on the content, but as the information is filled in by volunteers, the amount of information given varies.

The books are organized by category, and the business book page (http://textbookrevolution.org/index.php/Subjects/Business) has a long list of texts, but there were some problems when I visited the site in April 2009. I noticed at least one repeat in the list, some of the books weren’t properly categorized (why is Law for Computing Students in the Business category?), and some of the links were dead. This is one of the pitfalls of a volunteer-edited site, of course, but by the time this article is published the problems may have been fixed. That’s the nature of a wiki—always in flux. As you go through the text lists, you will also note that many of the business textbooks are drawn from BookBoon.com.

**BookBoon.com**
(http://bookboon.com/us/student)

BookBoon.com is a site owned by Danish publisher Ventus where the textbooks were specifically written for that site by university professors (mainly from the UK). Revenue is provided by ads that appear in the textbooks. All of the books are in PDF format, and are ready-to-print. They ask for demographic information before you can download the files, but require no registration other than that. In addition to textbooks, they publish free travel guides which are worth checking out. All the books are professionally formatted, and very readable either on computer screen or when printed. Ads appear every couple of pages, usually covering the bottom half-page, and aren’t distracting. At worst, I felt like I was reading a magazine as opposed to a textbook. One isn’t given much information about the texts before downloading, though—just a short paragraph describing the contents. All of the business texts I examined were fewer than 100 pages long.

BookBoon.com has finer categorization of business-related texts than does Textbook Revolution: career, economics, finance & accounting, human resource management (text to come as of April 2009), IT, management, marketing, organization, statistics, and strategy. Other science- and math-related texts are also on the site. (There is a wide range of calculus-related texts if you need to brush up in that area.)

In what I consider an interesting use of social networking, BookBoon has a Facebook application called Free Books for Students (they promote this on their own site). This application allows a user to download the texts directly from Facebook, list your favorite texts and view your friends’ favorites, view the top ten texts, and receive notifications of new textbooks. Currently, there are about 600 users of this application, which is not a large amount of people for Facebook. However, if more professors start assigning these texts, there will likely be more users.

At this point you may be wondering how you will find the free time to read all of these books. Here’s an attractive alternative for a workout or a driving commute: audio books.

**Learn Out Loud**
(http://www.learnoutloud.com)

Learn Out Loud is an audio book site, and a warning: it’s not all free. They sell recordings individually as well as have membership plans (which gives you ‘credits’ to be spent on the site). However, they do have quite a few free recordings and podcasts.
Here are links to three business education-related categories:


Some of the free audio books listed at Learn Out Loud come from LibriVox ([http://librivox.org/](http://librivox.org/)), which has recordings of public domain works, but since it is yet another volunteer-run site, the audio books are produced by volunteers, and the quality can be spotty.

However, many of the free audio offerings from Learn Out Loud are professionally produced, some are actually video (though in most cases, the video is extraneous). The recordings take the form of short excerpts from books, interviews, speeches and full audio books. Each listing gives you information about the length of the recording before you download, some information about the content and links to related offerings (usually not free.)

To bring it full circle, one of the books on the Personal MBA list has a free offering at Learn Out Loud: Chip and Dan Heath’s Made to Stick ([http://www.learnoutloud.com/Free-Audio-Video/Business/Strategy/Made-to-Stick/26638](http://www.learnoutloud.com/Free-Audio-Video/Business/Strategy/Made-to-Stick/26638)). There’s a video player embedded in the page itself, with a 35-minute talk (at a bookstore) from Chip Heath talking about the ideas in his book (with a question–and-answer period at the end). Though Professor Heath isn’t reading from his book, he gives you the meat of his material.

Do you have your own favorite free educational and informational resources? Do you think there are some books that should be on the Personal MBA list that aren’t there? I would love to hear your ideas, and can be contacted at marypat.campbell@gmail.com.

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An Enterprising Approach to Risk.

To learn more about the CERA credential, visit [www.ceranetlayst.org/CERA-News](http://www.ceranetlayst.org/CERA-News)
Focus—on CAN
by David Wolfskehl

Focus—we all know it is very important, and now that things are tough for many people, focus is even more critical. However, focus can also be very detrimental. Why? Because when times get tough, many people spend time on focusing on the wrong things—they focus on CAN’T instead of CAN. I don’t want to downplay the difficult situations that many of our readers and organizations are currently facing. For some organizations revenue is down, and staff size has been reduced more than either workload or budget. Even with these realities, focusing on CAN brings results, and options.

Let’s explore a topical situation and the differences between focusing on CAN vs. CAN’T:

Your organization has announced no raises, no bonuses and a hiring freeze. Your workload has remained the same.

If your focus is on CAN’T, this might be your reaction:

• We can’t go on vacation now, and we are going to have a terrible summer.
• I can’t get a good review because I am going to have trouble completing my work.
• Can’t management see what a terrible situation they are leaving me in?

CAN’T and positive action are very difficult to manage together.

Now look at the same situation with a focus on CAN:

• We are going to change our vacations plans so we can save some money. Let’s look at day trips, or your cousin always offered us his cabin in the mountains. I never realized how many great things there are to do around here.
• I can also start bringing a lunch to save some money toward our trip.
• Work is going to be interesting. This is a great opportunity for me to show management how effective I can be.
• I am going to make a list of some additional training I will need to be more effective. I wonder if we have some of those training resources in other groups so we can use them at no cost.
• This is going to be hard, but it will be a wonderful opportunity and will have a positive impact on my future.

The person who focuses on CAN’T is not moving forward, and in many ways is moving backward. That person is making a difficult situation worse. The person who takes a CAN attitude is taking action, is moving forward, and making the best of the situation. The situations are the same—but who do you think will have a better result?

You might not have the ability to choose the situation, but you always have the ability to choose your response. Choose CAN, and choose to make the best of any situation. ☺
Session 30 - Teaching Session
WHY GREAT LEADERS DON’T TAKE “YES” FOR AN ANSWER - THE NEED FOR CONSTRUCTIVE CONFLICT

Leaders hear “yes” far too often and don’t hear bad news until it’s too late. Through fascinating historical examples like the Bay of Pigs and the tragedy on Mount Everest, Professor Michael Roberto explores the myths of executive decision making and methods to make your decision making more effective.

Session 53 - Panel Discussion
MODELING HUMAN BEHAVIOR

In light of the changing environment in which actuaries need to operate, it is essential that new tools and approaches are utilized that help the actuary deal with change. This session will present the concept of modeling human behavior and provide examples of how that approach can be incorporated into actuarial and financial models.
Management &
Personal Development
Section

stepping stone

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