

Building Leadership for Business Impact

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Agenda

- Exploring notions of leadership
- Leadership for the 21st century
- Develop your leadership capabilities
- Developing emotional intelligence
- Building a career - my personal learnings

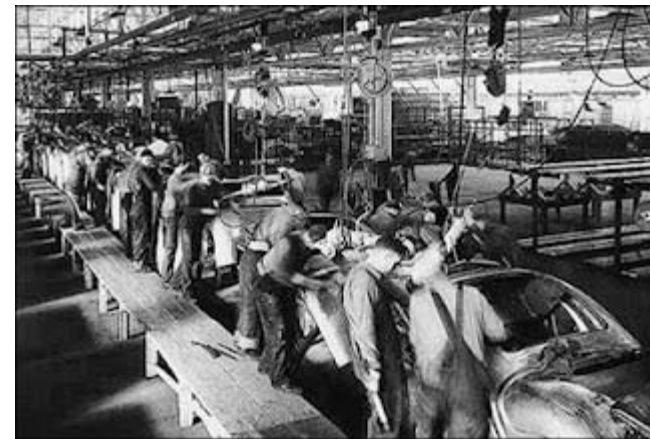


Question

- **Are leaders born or is leadership developed?**
- **What does leadership mean to you?
What leadership attributes do you admire the most?**



Organizing means of work...





Leading from the Front





Charisma





Question

Was Hitler a great leader?

If so, why?

If not, why not?

Vision for social change





Corporate Re-engineers





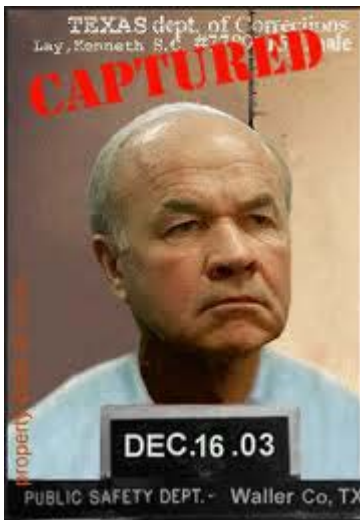
Creators of the new world





Leadership at the cross roads.....leadership in a finance context

Who sank the boat?



Risk and reward



\$7b trading losses

Risk and reward



\$3b trading losses



Q: What's the difference between a trading loss and an acquisition cost?



OLYMPUS



A: \$6b in credibility



Leadership

| Historical leadership | Contemporary leadership |
|-------------------------|----------------------------|
| Power and authority | Orientation; in the moment |
| Leaders are born | Leadership is developed |
| Doing | Doing and Being |
| Competency | Capacity |
| Vision – me, my company | Vision – greater good |

**PEOPLE
CHANGE
FUTURE
MEANING, PURPOSE and VALUES**

**Implications –
actuaries and
leadership?**

Changing environment for actuaries

“there is evidence that extreme events are becoming more common and more extreme, and that this is likely to continue with time “

– Chris Field, intergovernmental panel on climate and change (ipcc)



“financial losses in the first decade of the 21st Century were equivalent to those of the 1980s and 1990s combined. ”

- Mark Bove, Munich re USA



DISASTER LOSSES FOR 2011

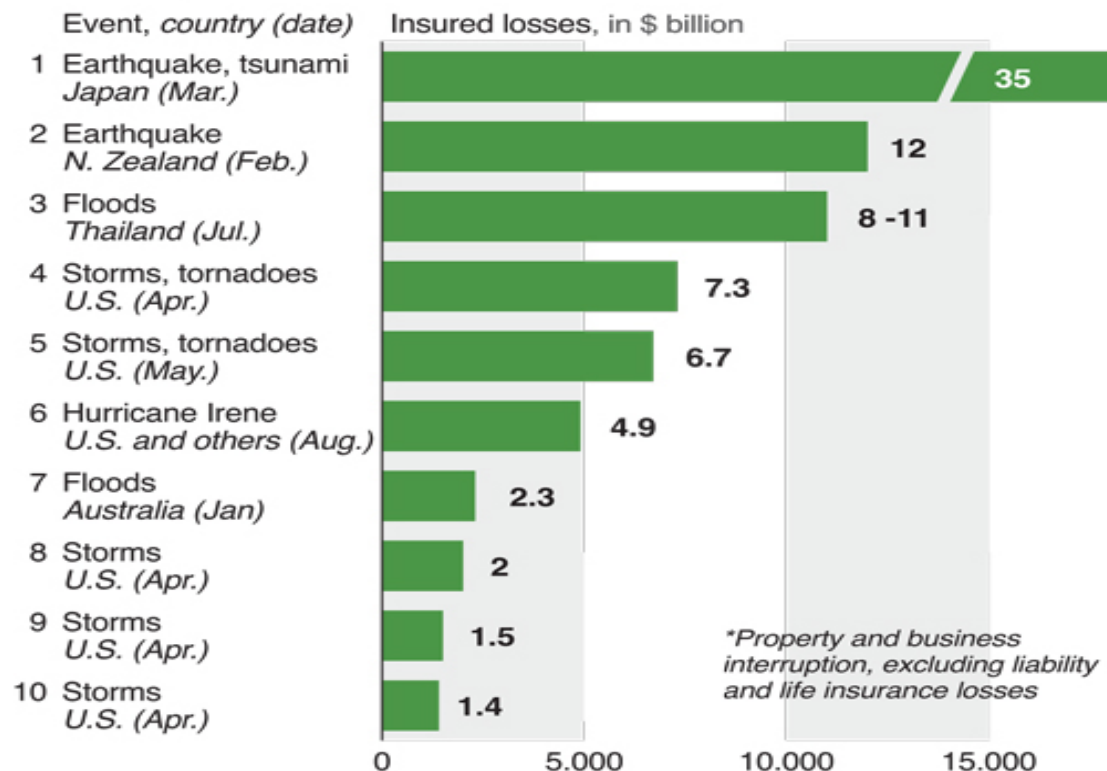
Total economic losses to society due to disasters
in billion



Total insured losses for the global insurance industry
in billion



Most costly insured disaster losses in 2011*



*Property and business interruption, excluding liability and life insurance losses

Perception of risk is changing



“ The perception of risk from smaller tsunamis has decreased in the aftermath of this very large event. Put another way, people are less likely to evacuate for a small event now, even though such an event still presents a very real risk.”

-Satoko Oki of the University of Tokyo



Financial Disasters

1974 – OPEC

1987 – Black Monday

1997 – Asian Financial Crisis

1998 – Russia defaults on debt

2000 – Dotcom crash

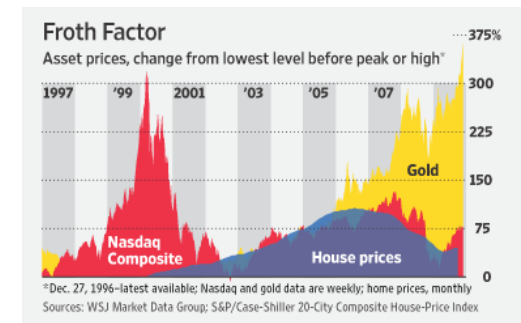
2001 – September 11

2007 – sub-prime debt

2008 – GFC; worst financial conditions in 60 years

2010 – Euro sovereign debt crisis

2011 – major stockmarket correction, 9 Euro countries credit rating downgrades, US credit rating downgrade





Current assumptions vs current reality

“Excess stock market volatility - price moves that get reversed in a few days or weeks — has risen to levels seen only three times before in the past 60 years: after the 1987 stock market crash, near the bottom of the market decline in 2002 and during the financial crisis and recession of 2008 and 2009.”

– NY Times Nov 2011



TECHNOLOGY

“The first half of the twenty-first century will be characterized by three overlapping revolutions—in genetics, nanotechnology, and robotics ...

By understanding the information processes underlying life, we are learning to reprogram our biology to achieve the virtual elimination of disease, dramatic expansion of human potential, and radical life extension.

Nanomedicine researcher Robert Freitas estimates that eliminating 50% of medically preventable conditions would extend human life expectancy to 150 years.

- Ray Kurzweil



Provocative question

How well does the current actuarial training, methodologies and tools equip actuaries to deal with and flourish through this level of change?



Q: who is the old man sitting on the bench?



A: a young man who has been waiting for things to slow down!!



The good news...

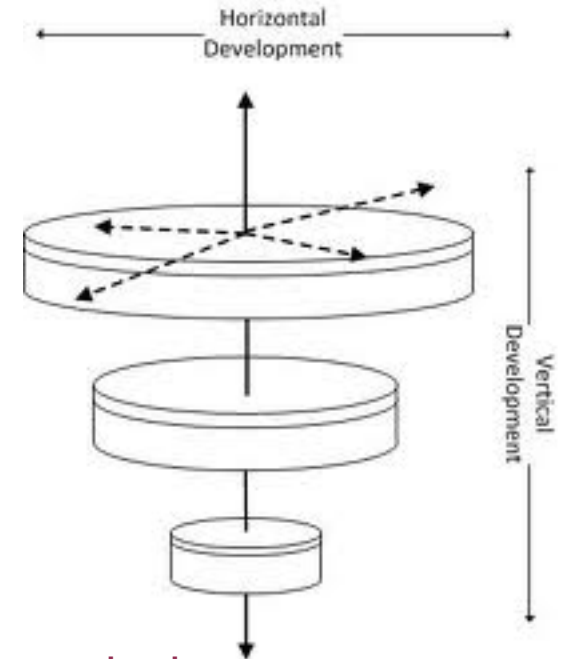
Humans continue to adapt and evolve with our changing environment. This provides greater capacities to:

- **Recognise systems we are in and how they change and evolve**
- **Develop relationships across multiple fields, cultures**
- **Continually deepen our self awareness and develop ourselves**



What is required to lead in the 21st century?

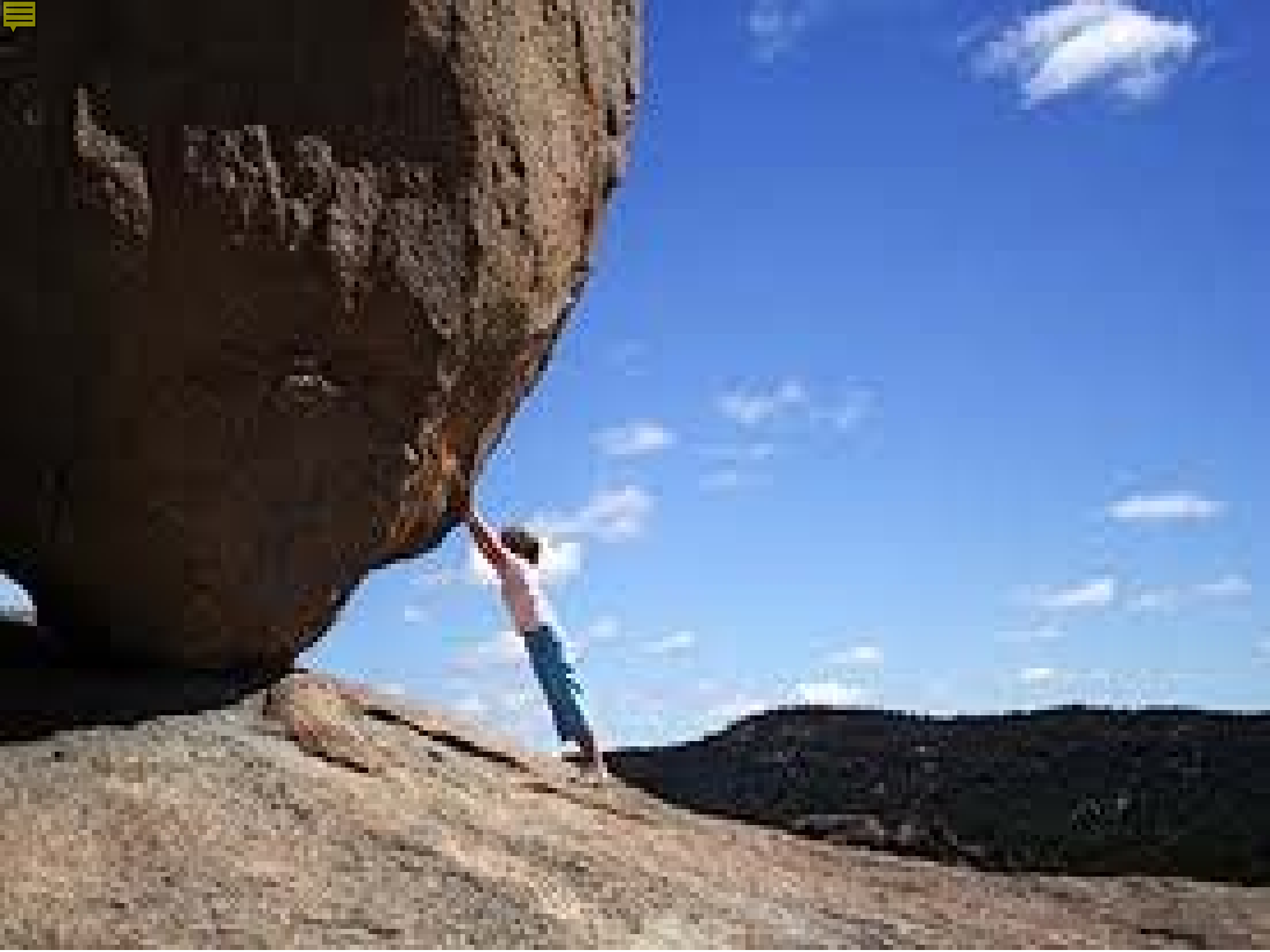
- **Notion of a building greater capacity**



“Development describes the unfolding of human potential towards deeper understanding, wisdom and effectiveness. World views develop from simple to complex, from static to dynamic, from egocentric to world centric” – Suzanne Cook-Greuter

**What can lead to
development?**

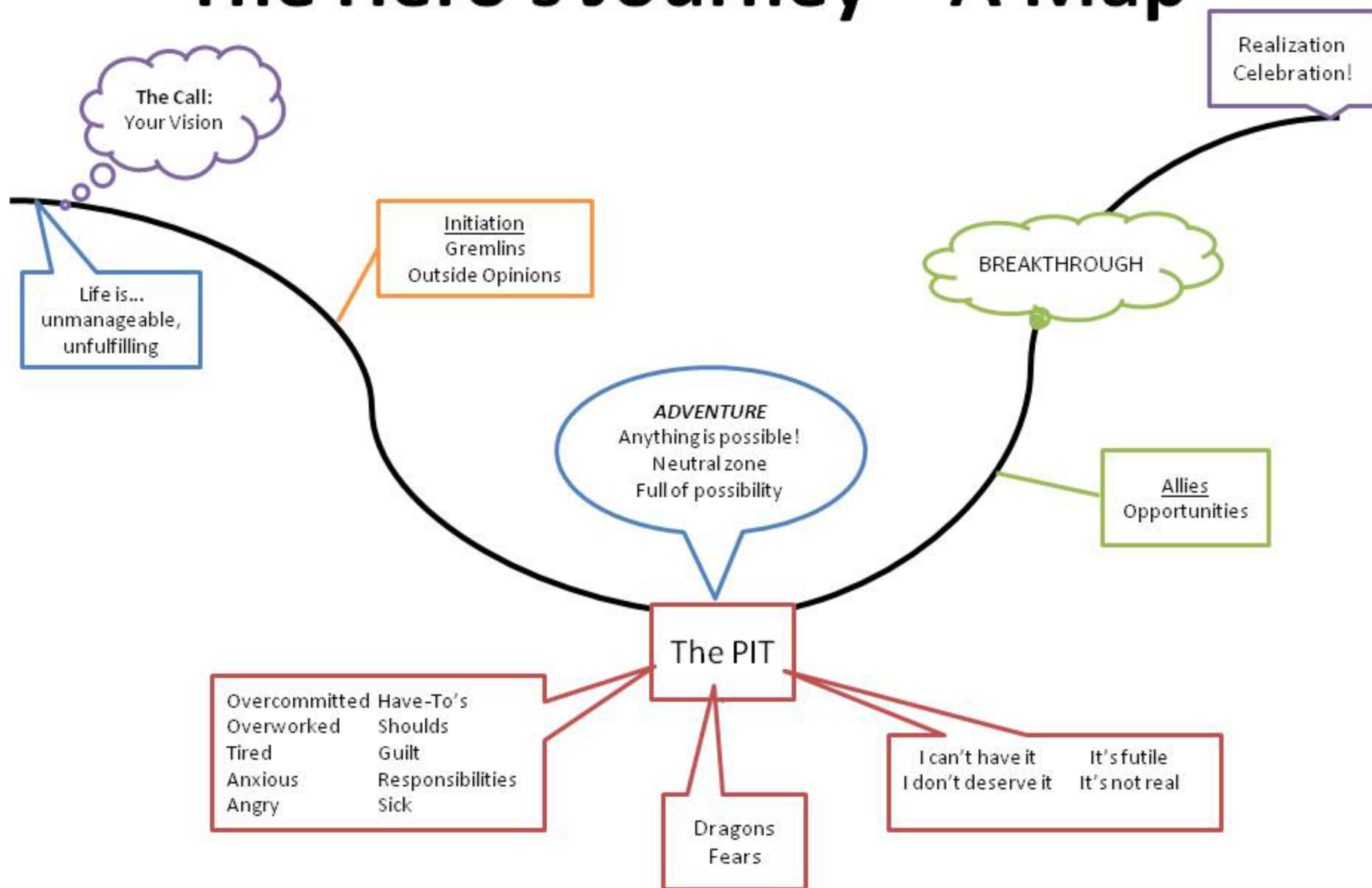








The Hero's Journey – A Map









Exercise

Reflect back on a time where the way you saw the world, what you believed in, how you made meaning of events no longer worked for you.

Examples – first time manager, first time parent, major life event

How have you changed as a result of going through the event – beliefs or meaning or attitude? How would you respond to the same situation today?

Leadership for the 21st century





Keys to develop leadership capacity

- **Step back from your assumptions of the world – observe them and how they influence your actions on a daily basis**
- **Presence – being present to how you are feeling and responding in every day situations; creating space between the event and developing choices to respond**
- **Systems perspective - know that when you change how you are in any circumstance, that influences the whole situation; the people around you, the focus of energy, the result**

Keys to develop leadership capacity

- **Growth orientation – You are shaped by your life circumstances, yet are still free to grow and develop**
- **If you don't achieve a goal you have set, that is feedback. Only when you give up or stop trying is that failure**
- **Take the cat by the tail – put yourself in situations that will really challenge you**

**“A man who carries a cat by the tail
learns something he can learn in no
other way” – Mark Twain**





Developing Emotional intelligence

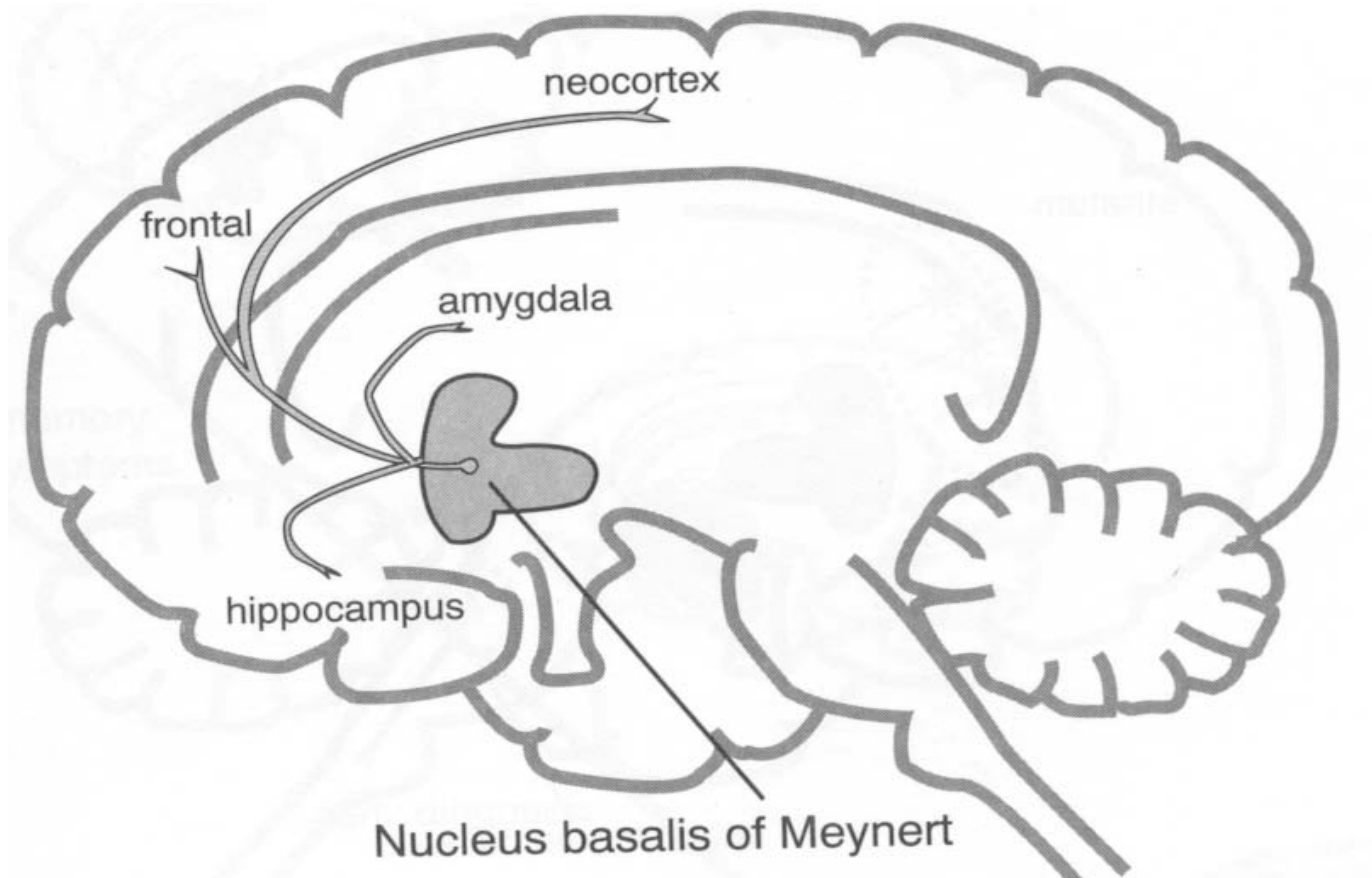
“... a set of abilities relating to emotions and the processing of emotional information”

“....an array of non cognitive capabilities, competencies and skills that influence one’s ability to succeed in coping with environmental demands and pressures”

Reuven BarOn



How emotional functioning works

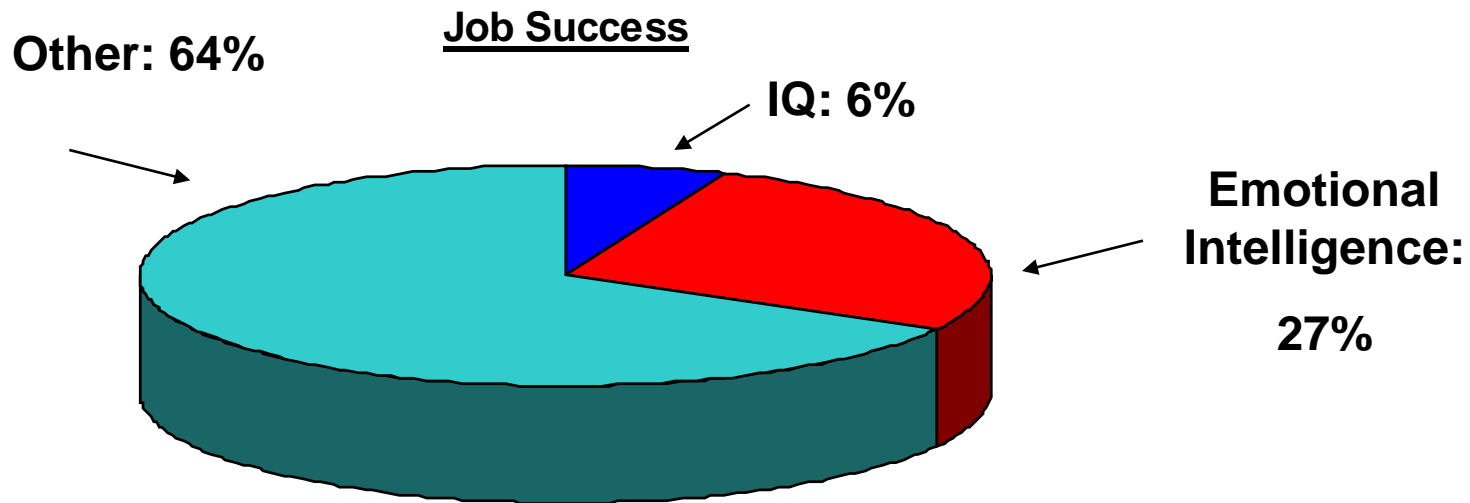




What determines success?

“Studies have shown that IQ can predict between 1% and 20% (average 6%) of success in a given job”.

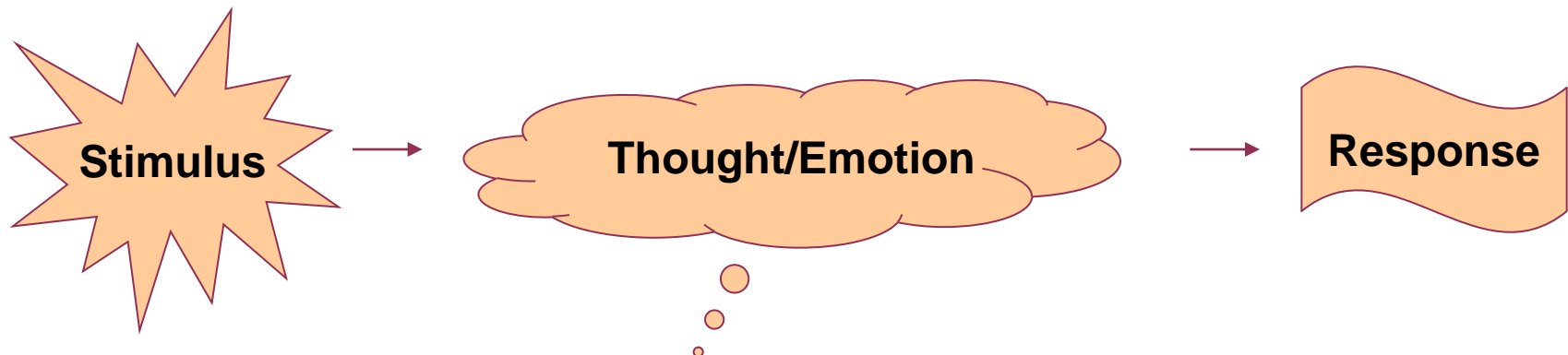
- Steven Stein, Ph.D





key components

| | | | |
|-------------------------|--------------------------|----------------------|-------------------|
| <u>Recognise</u> | <u>Understand</u> | <u>Manage</u> | <u>Use</u> |
|-------------------------|--------------------------|----------------------|-------------------|





Recognising Emotions



EMOTIONS REVEALED



Understanding Faces
and Feelings

Paul Ekman

*'A fascinating and enormously helpful picture
of our emotional lives'*
John Cleese



Understand and manage Emotions

- A is for Activating Event
- B is for Belief or *thought*
- C is for the emotional Consequence
- D is for Debate, Dispute, Deconstruct, Discard
- E is for the Effect of debating, disputing, deconstructing on beliefs about activating event and hence the emotional consequences



- Write down a recent event that you have had an emotional reaction to
- What was the **A**ctivating event?
- **C**onsequence - How did you respond?
- **B**elief - What beliefs or thoughts underpinned this response?
- Are these thoughts based on all the evidence and are they reasonable?
- **D**isputation - What are alternative explanations?
- **E**ffect - How do you feel about this situation now?



Core Leadership Learnings

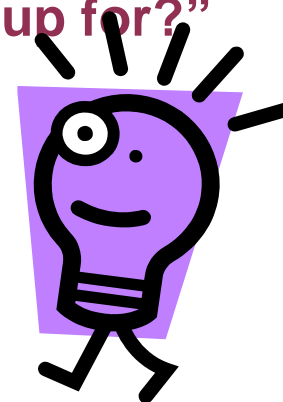
1. Leadership begins with self Mastery

“ You cannot lead others until you can lead yourself”

“What get’s you out of bed each morning?”

“what are you passionate about?”

“what are you prepared to speak up for?”





Core Leadership Learnings

2. The one person responsible for your career development is you!





Core Leadership Learnings

3. A career is a journey. Not all stops are as enjoyable or scenic as others, but each stop can be learned from. The clearer you are on where you are going, the clearer it becomes why you need to pass through each place.....



Qualifying as an Actuary is but one (important) step on the journey!

| Year | Event | Consequences |
|------------------|--|--|
| 1984 | 1st year Uni - Failed all subjects at half year | Mid life crisis #1, self reflection, decision to become teacher |
| 1987 | Dip Ed – reduced to tears after first lesson, realisation of no intellectual stimulation | Undertake Dip Op Research, awareness of need to develop communication skills |
| 1988 | Unsuccessful in Op Research job applications | Take role at NM as actuarial programmer |
| 1988-9 | Fail actuarial exams at first three attempts | Review exam & learning strategies, increase discipline – PASS! |
| 1991 | Join Rostrum (public speaking) | Metaphor for lifetime learning, differentiate myself as a communicator |
| 1994 | Transfer to Corporate Super is unsuccessful – mediocre performance | Mid life crisis #2 , Better understanding of my core strengths |
| 1997 | Commencement of major restructures | Realise I want to explore new fields(frees me up) |
| 1998 | NM Young Actuary of the Year | Increase self belief, prepared to take career risks |
| 1999 - 01 | Three more restructures | Appointed as Chief Actuary – AXA Life Singapore |
| 2002 | Withdraw as CFO Philippines AXA Life | Mid life crisis #3 – pursue L&OD credentials |
| 2006 | Appointed as Manager – leadership Development | Realisation of 1997 Dream – where to next? |
| 2011 | Redundancy after 23 years with AXA | Convergence – education, finance, leadership. Mid life crisis #4 (or mid life opportunity??) |



Core Leadership Learnings

4. “On matters of opinion, bend with the wind. On matters of principles stand like a rock”
- Know what you stand for, know when your thresholds have been crossed and know how to give the client what they want without crossing that sacred line.





Core Leadership Learnings

5. Leadership paradox - Letting go is the fastest way to gain control
- Empowering others by letting go of doing it all ourselves
 - Letting go of our limiting beliefs to test our perceived boundaries
 - The past behaviours that created our current success may be the very behaviours that stop us from going to the next level....
 - By letting go, we can better see the whole



Core Leadership Learnings

6. The map is not the territory

“We don't see things as they are, we see them as we are.” - Anais Nin

Models and assumptions are useful approximations to the truth (maps) but they are by nature imperfect and incomplete; always explore the changing landscape to update your maps





Core Leadership Learnings

7. The more you give, the more you get



Save the date!

- **The next YAP event will be on Thursday 17 May at Mercer**
- **The speakers will be:**
 - Melinda Howes (CEO of Actuaries Institute)
 - David Knox (Senior Partner at Mercer)

