

EMBRACING DIVERSITY: A STRATEGIC IMPERATIVE

FOR THE FUTURE OF THE ACTUARIAL PROFESSION

BY **KIRSTEN SASADY**

In an era characterised by rapid technological advancements and global interconnectedness, the actuarial profession faces unprecedented challenges – and opportunities! As we navigate this complex landscape, one thing becomes increasingly clear: the solution is **not** to enhance individual competencies – instead we need to ensure the profession's continued relevance by embracing a broader array of perspectives. This article explores the multifaceted benefits of diversity in the actuarial field and why it is crucial for the profession's future.

KIRSTEN SASADY



BEYOND TRADITIONAL DIVERSITY INITIATIVES

Historically, diversity initiatives have often focused narrowly on gender, age and ethnicity. While these are important dimensions, they represent only a fraction of the broader diversity spectrum. A more comprehensive approach to diversity includes considering different ways of thinking as well as diverse professional backgrounds. We must expand our view of differences and learn to see diversity in a broader perspective, recognising that each individual's unique perspective can contribute to a richer, more nuanced understanding of the world.

Moreover, traditional diversity initiatives often fall into the trap of trying to make those who are 'different' conform to existing norms, rather than allowing their unique perspectives to flourish. For diversity to truly be effective, organisations must not only recruit diverse talent but also create environments where these differences are celebrated and leveraged. This shift from mere representation to true inclusion is where the real power of diversity lies. >

THE CHANGING LANDSCAPE OF THE ACTUARIAL PROFESSION

The future of the actuarial profession is marked by uncertainty and change. As businesses become more global and interconnected, the demand for actuarial teams to navigate diverse cultural, economic, and social landscapes has never been higher. Teams made up of similar members, who all have the traditional skill sets prized within the profession is no longer sufficient to meet these evolving demands. Instead, the actuarial profession must broaden its horizons, welcoming experts from fields such as for instance data science, economics, environmental science, and the social sciences.

A heterogeneous workforce can provide the actuarial profession with the agility it needs to continue to thrive. Integrating diverse disciplines not only enhances problem-solving capabilities but also enriches the actuarial toolset with innovative methodologies and varied analytical perspectives.

By embracing diversity, we open ourselves to a 360-degree view of the challenges and opportunities that lie ahead.

This broadened perspective is particularly important as the industry faces emerging challenges such as climate change, economic instability, and the rise of artificial intelligence. Actuaries who understand, can work within and can foster well-functioning diverse teams are much better equipped to develop innovative solutions to these complex problems. Diversity, therefore, becomes not just a benefit but a core component of strategic foresight and resilience.

LEVERAGING SUPERFORECASTING IN ACTUARIAL SCIENCE

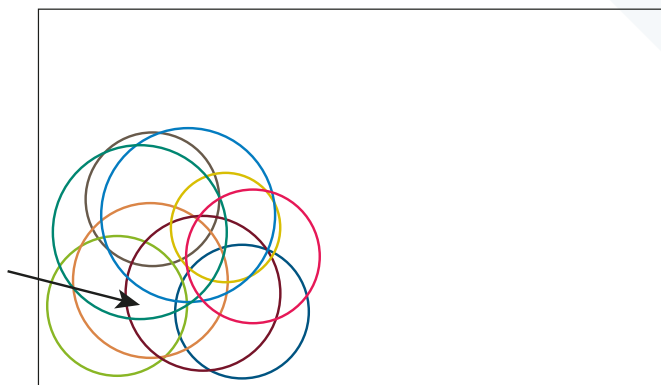
Infusing diverse perspectives enhances the profession's ability to cover more of the 'problem space,' leading to innovative solutions that would not emerge from homogeneous groups. Thinkers like Matthew Syed in *Rebel Ideas* and Philip E. Tetlock in *Superforecasting* have shown that teams composed of diverse

backgrounds consistently outperform more uniform counterparts.

Tetlock's research into forecasting reveals that diverse groups, which they term 'superforecasters', often achieve superior prediction accuracy through the aggregate of their varied perspectives. These superforecasters are not necessarily the most intelligent individuals but are characterised by their ability to integrate different types of information and their willingness to update their beliefs in response to new evidence.

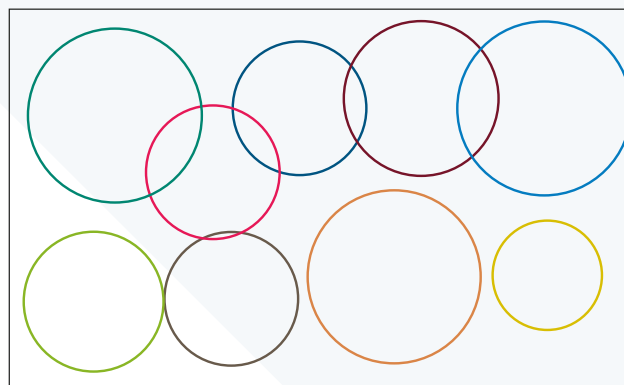
Matthew Syed describes it using the two illustrations below. We tend to surround ourselves with people who mirror our perspectives – it is comforting and makes us feel smarter. However it is far from optimal, when it comes to complex problem solving. The individuals in figure 2 are not more intelligent than those in figure 1, but they have 'coverage' qua their diversity and their collective intelligence is much higher. >

FIGURE 1



An unintelligent team (A team of clones)

FIGURE 2



An intelligent team (A team of rebels)

Embracing the superforecaster approach means fostering an environment where diverse opinions can be aired and reconciled. This approach not only improves the joint intelligence of the team but it also diminishes the risks associated with echo chambers, where similar viewpoints reinforce each other to the detriment of broader understanding and innovation.

CREATING A CULTURE OF INCLUSION WITH DIVERSITY LEADERSHIP

Thus, to fully benefit from diversity, we must cultivate an environment where differences are not just tolerated but celebrated. It requires reshaping organisational cultures to foster collaboration across different disciplines and to move away from the traditional management practices that prioritise technical skills alone. This shift is to ensure that all voices are heard and valued, leading to richer insights and more robust decision-making.

Organisations must focus on developing leaders who can see the uniqueness in each employee and provide them with equal opportunities to succeed. Leaders, who actively work to dismantle silos and encourage interdisciplinary communication, thereby ensuring that diverse teams can function effectively and innovatively. Without proper leadership, diversity can lead to friction and conflict. It is essential to break down old systems and rebuild them in ways that remove barriers and promote inclusivity.

CONCLUSION

The future of the actuarial profession hinges not on the intelligence of its members alone but on their ability to harness diverse perspectives and collaborate effectively. Diversity is not just a buzzword or a box to be checked. It is a strategic asset that can enhance the relevance and adaptability of the actuarial profession. We must evolve, not just by adding new skills to our repertoire but by fundamentally rethinking how we integrate and leverage diverse talents to tackle the multifaceted challenges of the 21st century. <

KIRSTEN SASADY has extensive leadership experience and a proven track record of working in diverse actuarial roles across the profession and as a volunteer on committees within both the IAA and the AAE. She has now embarked on a mission to accelerate the movement towards a more inclusive and meaningful working life for everyone through diversity leadership and the value it brings from both a financial and a human perspective.
