

NLP tools for effective management

Hiten Shah explains how neuro-linguistic programming (NLP) techniques can help actuarial managers develop valuable management skills to use in the workplace.

What would you get if you combined a talented and skilful actuary with a highly effective and capable manager? No, this is not the start of a joke! What you would get is someone who is extremely valuable to a business organisation as they would be able to use their technical expertise on an individual level while also providing direction and leadership at an organisational level.

The training of an actuary is structured to provide an excellent knowledge base and technical capability. There are the actuarial exams to conquer and various challenging roles within a company, providing opportunities to improve actuarial skills and knowledge.

What skills are required of a manager? The level of the actuary's management skills may well depend on the training and development opportunities that were provided within the company and perhaps the timing of the opportunities. Providing ongoing training from an early stage can lead to better development of management skills.

The role of an actuarial manager

An actuarial manager's role may have many different aspects to it. Often the difficulty comes in balancing the demanding role of technical specialist with the time-consuming role of managing staff. Managing staff requires excellent skills in communication, leadership, goal-setting, and delegation. Other vital skills are team-building, motivating staff, and the ability to train and develop staff. An excellent manager will also have great time management and organisation skills.

This is quite a list and I am sure you can think of more. Of these skills, probably the key skill is effective communication, as it underlies and makes a huge difference to all elements of management.

So how can an actuary develop the key skills required to be a competent manager? This is where neuro-linguistic programming (NLP) may be of particular interest and value to an actuarial manager. The concepts and techniques of NLP can be an excellent way to develop key managerial skills.

What is NLP?

In the early 1970s, Richard Bandler, a student of mathematics and computing, and Dr John Grinder, a professor of linguistics, embarked on a study of human excellence which formed the foundations of NLP.

Although the term NLP is still relatively unfamiliar to most, the concepts and techniques are used in many areas including business, health, sports performance, training, and development, coaching, therapy, and psychology. Illustrating the diversity of NLP, not only is it used in the field of corporate business, it is also used in show business, for example by Paul McKenna. Paul reportedly helped David Walliams in preparing to swim the English Channel by using a time distortion technique from NLP. He also helped Roger Moore to stop eating bread!

NLP is the practice and understanding of how people organise their thinking, feeling, language, and behaviour to produce the results they do and create the world they live in. NLP provides the methodology to model the outstanding performances of people who have achieved excellence in their field and the ability to translate the processes used by these people into practical skills that other people can use effectively to replicate such excellence.

One of the key concepts in NLP is the concept of modelling. Whereas actuaries might model financial cashflows, in NLP modelling successful behaviour provides a way of understanding and forming strategies for others to achieve success.

NLP for managers

The concepts and techniques of NLP can significantly aid development of management skills. One of the key areas in which NLP can make a difference is in the area of communication.

Effective communication is vital to the success of a manager. Whether that be communication with the team, policyholders, clients, regulatory bodies, senior managers, executives, and even oneself, the more effective the communication, the more success the manager will achieve.

NLP has many ideas to help improve communication, be it verbal communication or non-verbal communication such as body language or written communication. Here is a brief look at two of the many different techniques that can be useful to managers.

Further reading

Practical NLP for Managers by Ian McDermott and Joseph O'Connor

NLP for Managers: How to Achieve Excellence at Work by Harry Alder

Introducing NLP by Joseph O'Connor and John Seymour



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Framing and reframing

A particularly useful communication concept of NLP is called framing. Framing is about the focus being set by the choice of words used. Every sentence and question sets a certain frame.

For example, a manager who explains a task to a team member as 'a task that never seems to get done' has possibly framed the task as difficult or unimportant. The recipient of this message will take those words, process them, and perhaps put the task at the bottom of their list – never to get done.

Another example of framing is the sentence 'don't think of an elephant'. What do you immediately do? The chances are you think of an elephant. The framing of the sentence has drawn your attention to an elephant.

Reframing is the process of intentionally changing the current frame to a different frame. An example is the statement 'the glass is half empty' being reframed as 'the glass is half full'. This will change the perception of the statement for the recipient of this message.

The concepts of framing and reframing can be used effectively by considering how to frame things to get the best results. An excellent example of this is the problem frame versus the outcome frame.

The problem frame

In general, our culture is more biased towards problem-solving. The problem frame concentrates on the past: what went wrong and why, who did what, and so on. This usually results in focusing on the negative.

Within a problem frame, the type of questions asked will be:

- ◆ What is the problem?
- ◆ How long have we had the problem?
- ◆ Whose fault is it?
- ◆ Why hasn't it been solved yet?

The outcome frame

The outcome frame, also known as the solutions frame, focuses on the future. The outcome frame points you in a direction that quickly gets you moving and focusing on achieving the desired outcome. The attention is on what is wanted and how to get there. This usually leads to a more positive focus.

Reframing to an outcome frame leads to questions such as:

- ◆ What do we want?
- ◆ How will we know when we have got it?
- ◆ What is the purpose?
- ◆ How can we make it happen?
- ◆ What resources do we have and need?
- ◆ What is the next step?

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Framing and reframing can be very useful techniques for managers to be more effective communicators. Using an outcome frame question will send the thoughts of the listener into a more positive and useful direction. By directing the listener's attention in this way, the manager can positively influence their behaviour and response.

Pacing and leading

The concept of 'pacing and leading' is another powerful tool for a manager in communicating to many different types of people. With this concept, the manager starts by building and showing an understanding of the other person, thereby building rapport and trust with them. This is called pacing. It is done by:

- ◆ the choice of words – using words to show understanding and empathy of the other person's point of view (this is not necessarily the same as agreeing with that view);
- ◆ the use of body language – being in harmony with their body language.

Effective pacing will build a relationship of trust and understanding and this forms the foundation to be able to lead and influence. Now the ideas the manager wants to convey will be more readily listened to and accepted. Communication flows more smoothly and there is a sense of working together as a team.

Pacing and leading is demonstrated in relay races. When both runners have the same speed, the transfer of the baton happens smoothly and successfully. In communications, when the manager and their audience are on the same wavelength, the transfer of information and ideas happens more smoothly and effectively.

Good leaders have good people skills and they make sure they pace people. Good leaders also understand the importance for people to feel acknowledged before they will be willing to understand and support a view expressed to them. Often leadership does not work when a leader is trying to lead without first effectively pacing. Learning to pace effectively is therefore

an essential skill for a manager to develop. Pacing and leading is equally important with whole teams and organisations, as well as on an individual basis.

Consider also how the above two techniques can be used together. If a team member is concentrating on what is wrong, a manager can first use pacing to show the team member that they understand and empathise with them. Once a good level of rapport and trust has been established, the manager can start using outcome frame questions to reframe the situation and thus lead the team member towards solutions. Without effective pacing the team member may not feel listened to and resist being led to focus on solutions. By pacing to build rapport and then leading to reframe to a solution frame, the team member will feel acknowledged and valued.

Managing change

These are just two of the many different techniques and ideas that NLP provides for effective management. Even more significant, NLP concepts look at managing change at the belief and identity level. Very often, people find a big resistance to change from within. This resistance can be the result of a belief that they have formed, perhaps from a young age. An example could be a belief such as 'I am a rubbish manager', or it could be that they have a long-held view about their identity – who they are and who they are not. In this case, they may not be able to see themselves in the identity of a manager. NLP can help to identify such limiting beliefs and identity issues and has powerful techniques that can change them into more supporting beliefs.

Understanding these concepts in more detail can provide powerful insights and systems for effective management. If you are an actuarial manager and you want to develop your managerial skills, take a look into NLP. It could make you even more valuable to business organisations. □