

COMPASS

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PULSE of the Industry's Labor Market

derived from the seasonally-adjusted data released by the U.S. Bureau of Labor Statistics

- Overall, the U.S. unemployment rate held steady from August to September at a five-year high of 6.1 percent. Since this time last year, the number of unemployed persons has increased by 2.2 million.
- Total non-farm payrolls continued their downward spiral, losing 159,000 jobs last month alone.
- Likewise, insurance industry payrolls dropped for the second consecutive month. The sector lost 5,600 positions in September.
- From a yearly comparison standpoint, industry payrolls moved into the negative for the first time in 2008. Payrolls are down 0.1 percent from this time last year (2.315 million jobs in September 2008 compared to 2.317 million in September 2007).
- Some sectors of the industry are still seeing growth. Reinsurance continues to experience the largest percentage of employment growth, increasing 14.4 percent since August 2007. Health insurers followed with yearly job growth at 3.1 percent, while TPAs were at 2 percent and life insurers at 1.9 percent.
- Meanwhile, employment growth in the property and casualty sector remains flat and agencies and brokerages payrolls have declined by 0.3 percent since August 2007.
- Industry salaries continue to increase. Average weekly earnings for non-supervisory insurance industry positions rose 3.5 percent from August 2007 to August 2008. Employees within the life insurance sector, again, saw the largest boost to their paychecks at 6 percent. ▲



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Jacobson Executive Search offers more than 36 years of expertise and insight into the insurance, healthcare and financial services executive marketplace. We provide search and selection services for the industries' executive-level positions, including Vice President, C-Level and Board Member assignments.

Did You Know...

- Only 59 percent of working adults feel that ethics policies have been effectively communicated in their workplaces, according to a 2007 survey conducted by Walker Information.
- Less than 50 percent of human resources professionals include ethical conduct in employees' performance evaluations, revealed a joint study by the Society of Human Resources Management (SHRM) and the Ethics Resource Center (ERC).

Read more in Inviting Integrity to the Interview on page 3.

industry executives ON THE MOVE



Congratulations and best of luck to the following executives who recently took on new challenges within the industry:

- **Rex Adams**, *Chief Operating Officer*, WellCare Health Plans, Inc.
- **Suzanne Ah-Tye**, *Chief Counsel*, California State Compensation Insurance Fund
- **Juan Andrade**, *Executive Vice President of Sales and Distribution*, The Hartford
- **Orlando Ashford**, *Senior Vice President of Human Resources*, Marsh & McLennan Companies
- **Leslie Bostic**, *Senior Vice President of Human Resources*, Amalgamated Life Insurance
- **Dan Brown**, *Senior Vice President of Industry Markets*, The Hartford
- **Julie Burnett**, *President & Chief Executive Officer*, Liberty Northwest
- **Dewey Bushaw**, *Executive Vice President of Annuities & Mutual Funds Division*, Pacific Life
- **David Carroll**, *SVP & West Region Property Practice Leader*, Wells Fargo Insurance Services, Inc.
- **Jeff Davis**, *Senior Vice President & Chief Actuary*, White Mountains Insurance Group, Ltd.
- **Rodney Dillman**, *President*, Massachusetts Mutual Life Insurance Company International LLC
- **Michael Garceau**, *Chief Operating Officer of Specialties Business Unit*, Zurich North America
- **Peter Garvey**, *Chief Executive Officer*, Integro, Ltd.
- **Philip Hildebrand**, *President & Chief Executive Officer*, HealthMarkets, Inc.
- **Donald Imholz**, *Senior Vice President & Chief Information Officer*, Centene Corporation
- **John Keefe**, *Senior Vice President of Corporate Development*, Harleysville Insurance
- **Scott Krienke**, *Senior Vice President of Product Lines*, Assurant Health
- **Robert Kruger**, *Executive Vice President of Insurance Operations*, BCS Insurance Group
- **Lucinda Lewis**, *Senior Vice President & Chief Actuary*, HealthMarkets, Inc.
- **Edward Liddy**, *Chief Executive Officer*, American International Group, Inc. (AIG)
- **Paul Mallen**, *Executive Vice President*, Amalgamated Life Insurance
- **Fiona Muldoon**, *Senior Vice President & Global Treasurer*, XL Capital
- **David O'Brien**, *Senior Vice President of International Division*, Transamerica Reinsurance
- **Patrick O'Brien**, *President*, Allstate Motor Club and Partnership Marketing Group
- **John Pegues**, *Chief Executive Officer*, Coventry Health Care of Louisiana
- **Andy Pinkes**, *Executive Vice President of Claims*, The Hartford
- **Tim Roach**, *Senior Vice President & Chief Marketing Officer*, HealthMarkets, Inc.
- **Jacob Rosengarten**, *Executive Vice President & Chief Enterprise Risk Officer*, XL Capital
- **Richard Spiro**, *Executive Vice President & Chief Financial Officer*, The Chubb Corporation
- **Greg Tacchetti**, *Chief Administrative Officer & Senior Vice President*, Fireman's Fund
- **John Thornton**, *Executive Vice President of Sales & Marketing*, Amalgamated Life Insurance
- **John Tympanick**, *President & Chief Executive Officer*, Hospitality Mutual Insurance Company

Inviting Integrity to the Interview

by Margaret Resce Milkint, Managing Partner

“What is your personal integrity statement?”

That got your attention, didn't it? Many say “it is too personal to discuss;” others quickly respond “it's always doing the right thing.” My favorites are stories of a parent, teacher, coach or mentor who shaped an individual's values and spirit.

Integrity is the character trait that invokes the unspoken boundaries of personal life and business life. It is a sensitive topic, but one deserving of candid discussion. Today's workplace has been defined by Enron, SOX and the cry for transparency. Like never before, corporate America seeks and demands leaders with courage, sound judgment and unwavering values. We are no longer afraid to discuss it and probe for it.

According to the Institute for Ethical Business Worldwide, hiring managers rank ethics and personal integrity among the most important attributes in a candidate. However, recent research uncovered that just five percent of employers include ethics questions in their interview processes. Today, potential candidates should be scrutinized more than ever before beyond technical skills and credentials to ethics, integrity and overall values. Organizations that embrace this movement and that live their companies' codes of ethics, train and encourage hiring managers to interview for integrity, and employ candidates whose morals and values match those of the organization are the ultimate winners.

Define integrity.

The “Golden Rule” is gaining popular recognition in corporate America. In today's competitive environment, many professionals are faced with this moral dilemma: driving for results regardless of the cost to others versus upholding ethical and fair business practices and losing ground. Integrity is the backbone to a code of moral values. Simply put, integrity is doing the right thing – even when no one is looking.

While integrity is universally deemed one of the most important traits in a leader, a 2007 survey by Walker Information found that only 49 percent of employees believe their senior executives are of high integrity. Companies, as well as individual executives, must make a point to develop, implement and publicize integrity and ethics programs; and then they must reward employees who live out those values. Is there a mandate for “holis-



tic professionals” - those who practice their personal values in the workplace and don't compartmentalize (or compromise)? Many of us say “yes.” The imaginary line that once divided private life and work life is disappearing.

Position your company.

The candidate of integrity you seek is putting you under the microscope as well. A distinct corporate brand conveys what your company stands for to both the outside world and to internal employees. Additionally, it serves as a recruitment and retention tool. Build a corporate brand that distinguishes your organization from others by emphasizing your company's character, strengths and personality. Your corporate brand should also influence the decisions, attitudes and actions of employees. Integrate corporate citizenship, community and industry leadership, board member positions, and volunteer opportunities into this message. Remember that each member of your team is the face of integrity and your most powerful brand builder.

Woven into your brand is your company's corporate culture. There are multiple layers to corporate culture; some are visible and others are invisibly coded on a company's DNA. Visible examples of corporate culture include dress code, benefits, job titles, work environment, a Corporate Integrity Officer post, a published integrity statement and consequences for those who lapse in ethical behavior. Living examples of corporate culture include the values, beliefs, standards and attitudes displayed in the elevator, the cafeteria and the conference room where respect, concern and humanness are the norm.

Interview for integrity.

Several talented candidates might interview for one coveted position within the same week. How do you determine who is best for your company? Qualifications and skill sets aside, a successful professional should hold personal values that are in sync with your company's values. At the interview table, it is the interviewer's responsibility to distinguish which candidates are authentic and which merely recite the "right" answers.

Several interview techniques exist to assist interviewers in accurately and thoughtfully evaluating a candidate. The Integrity Check Interview is an interview strategy that asks questions related to what a candidate did in a particular situation, why he or she did it, and how he or she felt about doing it. Developed by UCLA psychiatrist Mark Goulston, this method is based on the premise that real concentration is required to tell a good lie. Most people cannot keep their stories straight if they have to deal with questions directed to three distinct parts of their brains: action, thought and feeling.

Another effective style of interviewing for integrity is the behavioral interview. Behavioral interview questions are designed to uncover past behaviors in order to predict future behaviors. These should reveal personal core values: what drives the candidate, what his or her current relationships are like, what is important to him or her, and what his or her expectations are of an employer and of him/herself. "Tell me about a time you made a mistake" or "describe a time you disagreed with your CEO" should reveal a candidate's self-awareness, emotional intelligence and moral fiber.

Look beyond words.

Actions can speak volumes at the interview table. In fact, body language is 65 percent of all communication. Train and encourage your hiring managers to pin down

clues that a candidate may be dishonest or uncomfortable. Candidates should maintain eye contact and a relaxed, yet appropriate posture. Be aware of any nervous habits, as well as variations in tone of voice. Ask follow-up questions to their answers, seeking details and probing for examples; and listen for dishonest qualifiers such as "to be honest." Additionally, advise the hiring manager to trust his/her intuition (it is usually a good judge of character), but to utilize a second opinion in crucial circumstances.

No matter where you sit in an interview, remember that interviewing is a dynamic two-way street. Beyond the formality and significance of the interview, you are engaged in a personal dialogue and are building a relationship. Give real world perspective. An emphasis on personal connection is key; this is the "right fit" we all desperately seek. Discuss your organization's code of ethics, as well as your personal code of ethics, and how ethics are demonstrated both inside the company and out in the marketplace. Inviting integrity to the interview table will allow your organization to create successful matches and mutually-beneficial partnerships. ▲

"Simply put, integrity is doing the right thing - even when no one is looking."

Behavioral Interview Questions to target a candidate's integrity

- Describe a time when you disagreed with your boss or someone at a more senior level than you.
- Tell me about a time when you disagreed strongly with someone.
- Describe a time when you had to confront someone else's unethical behavior.
- Tell me about a tough decision you had to make and what made it difficult.
- In hindsight, what risk did you not take that you wish you had?
- Tell me about a time when you championed an unpopular view/approach.
- Tell me about a time when you made a mistake.
- Tell me something you are passionate about.