

PLANNING LIFELONG PROFESSIONALISATION LEARNING FOR ACTUARIES

By MW Lowther and W McMillan

ABSTRACT

This paper presents a model for what is termed Lifelong Professionalisation Learning for actuaries. The model is grounded on the proposition that professions are dynamic, offering the public varying quantities and qualities of professional aspects over time. The overall curriculum for the model is derived by ordering these aspects into cognitive, normative and organisational strands. Different aspects of the curriculum need to be addressed at the different stages of an actuary's career. Delivery of the curriculum may take many forms, and should be planned by national actuarial associations under the guidance of an education expert.

KEYWORDS

Professionalism, professionalisation, continuing professional education, lifelong learning

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1. INTRODUCTION

1.1 The impetus for this paper was the simultaneous call by Slattery (unpublished) in South Africa and a report to the Faculty and Institute of Actuaries in the United Kingdom¹ that all professionally active actuaries should regularly attend professionalism courses.

1.2 The crucial insights presented in this paper are that

- professions are dynamic, offering the public varying quantities and qualities of professional aspects over time;
- the three strands of professional activity distilled by Bellis (2000) neatly order these aspects; and
- a model for the rationale and content of lifelong professionalisation learning ('LPL') can be developed accordingly.

1.3 Section 2 introduces the concept of 'professionalisation'—i.e. that all occupations may be appraised on both the number of professional aspects that they

1 Martin, D., Dixon, S., Evans, D., Garden, R., Goodwin, L., Grace, P., Hairs, C. & Scott, M. (unpublished). Consultation Report of the Professional Competence Task Force, Faculty & Institute of Actuaries, 2004

choose to offer, as well as the quality of each aspect. This concept is informed by the work of Houle (1981).

1.4 In section 3, the authors integrate the concept of professionalisation with the conceptual framework of Bellis (2000). Bellis divides aspects of a profession into cognitive, normative and organisational strands. Section 4 then populates a professionalisation model with the particular aspects that are considered relevant for actuaries.

1.5 In section 5 implicit progress towards LPL in the UK is noted. Pointers to bear in mind when developing an LPL programme are suggested in section 6. In section 7, some conclusions are drawn for LPL in South Africa.

1.6 This paper deals with the ‘how’ of LPL, rather than the ‘why’. Arguments for and against the need for LPL would form the basis for a different, more sociological paper, perhaps using the theory of social capital (e.g. Schuller, unpublished), a Marxian analysis (e.g. Noble, 1977) or the theory of reflective practice (Schon, 1983) as a conceptual framework.

1.7 For present purposes, the authors merely note that, at their Sydney meeting in 2002, the Professionalism Committee of the International Actuarial Association first discussed the need for professionalism events. The Committee agreed to compile a list of individuals who will be responsible in each country for the implementation of such events.

1.8 Subsequently, in a general discussion of continuing professional development (‘CPD’), the report to the Faculty and Institute of Actuaries in the United Kingdom (*sup.*) suggested that UK actuaries be required to attend what they refer to as a professionalism course every ten years. That report formed a large part of the submission of the UK profession to the Morris Review. Morris² made the following response:

“... the review noted the greater emphasis being placed by the Profession on professionalism requirements. This is clearly desirable ...”

1.9 In their CPD Handbook³, the Faculty and Institute of Actuaries have implemented some of the suggestions of the above-mentioned report. Motivating the need for professionalism skills, the Handbook states that

“An actuary needs a full range of skills and knowledge to perform effectively and efficiently [including] professionalism skills, which come from all the standards that the public and those who employ actuaries expect of a member of a leading profession. They include an understanding of how the profession implements these standards and an appreciation of what this means in practice.”

2 Morris, D. Final report on the Actuarial Profession, HMSO, 2005

3 Faculty of Actuaries; Institute of Actuaries. *CPD Handbook*, 2006

2. STATIC VS DYNAMIC UNDERSTANDING OF PROFESSIONS

2.1 Houle (1981) draws a distinction between the traditional concept of professions as static, and a more relevant and innovative concept of professions as dynamic. A static conceptualisation of professions suggests “professional attributes as a fixed standard which members must meet, turning the members into passive recipients of claimed wisdom, [while a dynamic conceptualisation] places the responsibility on the members to strive for continuous improvement and adaptation in their professional organisation as well as their own practice.”⁴

2.2 Houle (1981) draws on the work of Vollmer & Mills (1966) to argue that every occupation that is called a profession manifests a number of professionalising aspects. Vollmer & Mills highlight the degree to which professions offer and meet criteria as central to a functional definition of ‘being professional’:

“We wish to avoid discussion of whether or not any particular occupational group is ‘really a profession’ or not. ... We feel that it is much more fruitful to ask ‘how professionalized’ or more specifically ‘how professionalized in certain identifiable respects’ a given occupation may be at some point in time.”

2.3 Hotel grading systems provide an analogy for understanding a professionalisation model. For example:

- An hotel can choose to offer the number and quality of ‘stars’ or services it believes is appropriate for its market.
- The content and delivery of the package will change from time to time.
- Five stars will be appropriate for some markets and eras, and not others.
- There is no upper limit to the number and quality of the services that could be offered.
- The hotel will do well to take market demands into account.

2.4 An example of an aspect on which a professionalising occupation could be appraised would be a disciplinary process. If a disciplinary process is indeed offered, it could be anywhere from dysfunctional to splendidly transparent, independent and effective. Other potentially relevant professional aspects are, for example, a code of conduct, a continuing professional development (‘CPD’) system, and a public-interest commitment.

2.5 Houle also points out that the development of a professionalising occupation can be assessed by comparing its professionalisation at different periods of time.

2.6 In this paper, the term ‘professionalise’ is used to describe the continuously evolving process whereby actuaries group together to develop and market their skills. The more commonly used term ‘professionalism’ appears to the authors as more appropriately applied to the static notion of a profession. Moreover, the term

4 Bellis, C.S. Personal communication (25/7/2005)

‘professionalism’ is used by different people to mean differing and, sometimes, vague concepts. For example, the Council on Professionalism of the Actuarial Profession in the USA⁵ clearly use the term to include the cognitive, normative and organisational strands expounded in section 3 below. On the other hand, the objectives of the International Actuarial Association⁶ include separately ‘professionalism’ (conduct, discipline, standards, public interest, etc), ‘education’ and ‘actuarial science’. Goford’s (2004) address on the subject of ‘professionalism’ to the pensions conference of the UK actuarial profession uses the term to refer to the quality of individual service delivery skills. Goford’s interpretation is similar to that arrived at by Bayerische Ruck (1996) in its “attempt to unravel the concept of professionalism”. Both Goford and Bayerische Ruck seem to conclude that professionalism is akin to competence delivered with enthusiasm.

2.7 The authors of this paper argue that an understanding of the dynamic concept of ‘professionalisation’—as opposed to earlier, static definitions of ‘professionalism’—needs to be made explicit in actuarial professional learning. This concept will facilitate actuaries’ making their professional behaviour consistent with the chosen missions of their national actuarial associations.

2.8 A warning should be sounded at this point. At the heart of the notion of professionalisation is the concept of self-selection of behavioural standards by the members of a profession. Behaviours may thus be selected that serve only the interests of those within the profession and hence seriously compromise the delivery of service to the broader community—showing, in other words, little or no concern for the public interest. It thus remains the responsibility of the members of a profession to be self-critical in the selection of professional standards.

3. SORTING ASPECTS OF A PROFESSION

3.1 While Houle (1981) suggests that various principles are characteristic of professionalising occupations, it is Bellis (2000) who fleshes out these principles with regard to the actuarial profession. Bellis carries out a thorough review of the origins and nature of professions from the actuary’s viewpoint. She describes her work as an attempt to understand what being a profession may mean for actuaries both now and in the future. The conceptual framework distilled by Bellis is used in the ensuing discussion.

3.2 Bellis posits that the actuarial profession has three main strands:

- cognitive—the skills that the group have and develop;
- normative—the way in which the skills will be delivered to users; and
- organisational—a body that will ensure that the cognitive skills are indeed delivered in the normative way.

5 American Academy of Actuaries *Professionalism Annual Report*, 2002

6 International Actuarial Association *Website Statement of Objectives*, 2005

3.3 The expounding and development of the various aspects of the actuarial professional ‘product’ (such as CPD, public interest, compliance with professional guidance, etc.) already exists in the literature of the actuarial profession around the world. Using the framework outlined by Bellis, it is possible—for the purposes of actuaries’ professional learning—to frame the mission of a national actuarial association along lines similar to the following:

“Today’s actuaries inherit and develop the three strands of the profession.

“The cognitive strand is the actuary’s technical skill, the analysis and modelling of situations involving financial risk and contingent events, and the matching of assets with liabilities.

“The normative strand is the manner in which each actuary undertakes to deliver these skills, by adhering to the evolving code of professional conduct, its associated technical standards, and the ethical requirements of the profession.

“The organisational strand is our professional body, which we task with ensuring that the skills are delivered in the agreed manner, as well as with participating in public debate on matters within its field of expertise.”

3.4 Bellis quotes Brint (1994) who observed a contemporary shift from ‘trustee professionalism’ to ‘expert professionalism’. This shift happened as the ideology of some professions moved further from serving the public good and closer to providing services to clients. A similar movement in contemporary society, as observed by O’Neill (2002), Morris (*sup.*) and others, is the surrender of certain self-regulatory aspects by professions due to the increase in state regulation of professional activities, and even of professional organisations themselves—as in the oversight role over the UK actuarial profession that their Financial Reporting Council will start to play. These shifts might be seen as an example of such professions’ shrinking their normative and organisational strands.

4. POPULATING THE PROFESSIONALISATION MODEL

The discussion that follows highlights which professional aspects fall under Bellis’s three categories. This analysis provides the curriculum for professional learners.

4.1 THE FIRST STRAND—TECHNICAL SKILLS

The cognitive strand of the professionalisation model deals with the development, maintenance and expansion of skills. Technical actuarial skills have long been the focus of actuarial education and do not need to be revisited during professionalisation learning. However, a brief description of the nature of actuarial science—and why the provision of a service built upon these principles and competencies is of use to consumers—would be relevant. Gutterman (1998) and Pemberton (1999) are useful references.

4.2 THE SECOND STRAND—CONDUCT AND ETHICS

4.2.1 The second strand of the professionalisation model deals with the way in which individual actuaries deliver their skills.

4.2.2 The distinction between conduct and ethics needs to be clarified for learners. Webley (unpublished) quotes the highway code as an example of a code of conduct. The implication is that a code of conduct is a list of specific behaviours that can be identified and must be exhibited. On the other hand, ethics, as defined by Carmichael (1995), is “a set of values practised by an organisation which should meet the expectations of stakeholders”. She sees ethics applying in the grey areas where right and wrong are debatable—that is, where required conduct has not been adequately identified.

4.2.3 In the UK, for example, actuaries have a number of specifically defined and enforceable duties. Three sources for these duties may be found: the Professional Conduct Standards⁷; those technical and professional guidance notes which require specific behaviour that can be identified and exhibited; and conduct required by the constitution and bye-laws of the Faculty and Institute.

4.2.4 In particular, the Professional Conduct Standards “give guidance on professional conduct to which all members must conform” including:

- do not denigrate the profession;
- decline or qualify advice required with inadequate time constraints;
- have the same standards for internal or external advice;
- maintain confidentiality;
- observe guidance notes, or disclose non-compliance;
- do not give advice unless you are competent to do so;
- investigate the accuracy and completeness of data;
- give sufficient information for the recipient to assess the advice;
- disclose the author and the terms of engagement;
- take action on discovering a material breach by another member;
- consider potential conflicts of interest, and notify clients;
- disclose your own financial interests;
- contact the previous incumbent when taking on new work;
- do not criticise members unfairly; and
- do not advertise your services unjustifiably.

4.2.5 Conduct required by the constitution and bye-laws includes:

- obtain practising certificates;
- obtain a continuing professional development certificate;
- distinguish between mandatory and recommended guidance;
- do not engage in ‘unprofessional conduct’; and
- observe housekeeping issues such as the payment of fees and notification of addresses.

4.2.6 Separately from conduct, the curriculum should refer to any ethical requirements to which the national actuarial association wishes its members to adhere. For example, both the Faculty and Institute⁸ and the Institute of Actuaries of Australia⁹

7 Faculty of Actuaries; Institute of Actuaries *Professional Conduct Standards*, 2003

8 Faculty of Actuaries; Institute of Actuaries *The new professional*, 1999

9 Knox, D. (unpublished). Integrity, innovation and integration; A respected, developing and contributing profession; Presidential address. Institute of Actuaries of Australia, 1999

claim that their members act with integrity. Goford (2003) and Daykin (2004) believe that actuaries should behave in ways that are open, transparent and accountable.

4.2.7 Given the understanding that ethics concerns the grey areas where specific conduct has not been defined, the resolution of ethical dilemmas is often difficult. Debate exists whether ethical behaviour can be taught in the same way as professional field-specific competencies and codes of conduct. In the dental field, Bertolami (2004) challenges the assumption that an automatic link exists between overt teaching and ethical practice: “No one has ever done the right thing because of taking an ethics course in dental school”. Sharp & Thomas (unpublished) argue that ethics are ‘caught not taught’. Ferguson (1997) suggests the sources from which individuals might ‘catch’ their ethical principles, “our families, various mentors in school, university or business life, and groups to which we belong, whether church [*sic*], social or business”. Ferguson’s position suggests that the actuarial profession might have a significant role to play as a source from which professionals might ‘catch’ appropriate ethical values. It should be borne in mind, however, that values, rather than being universal, are culture-specific (cf., e.g. Wilkie, 1997 and McLeod, 2005 on the mutuality-versus-solidarity debate). ¶4.3.6 below touches on the values or ideology of the profession as a whole.

4.2.8 There are a number of desirable behaviours that are not usually included in a code of conduct. The need for personal hygiene would be taken for granted by most economically active people, but what about business management or communication skills? Goford (2004) includes a number of business skills in his understanding of professionalism for UK pensions actuaries and the report to the Faculty and Institute of Actuaries in the United Kingdom (*sup.*) gives a similar list of what they term ‘professional management skills’. Morris (*sup.*) calls for these work-based skills to be included in initial and ongoing professional education. In their 2006 CPD Handbook (*sup.*), the Faculty and Institute of Actuaries have separately identified business and management skills as a third leg of actuarial learning, separate from technical and so-called professionalism skills. Members are referred to the Management Charter Initiative for more suggestions in this regard. It is incumbent on national actuarial associations to record exactly which behaviours are required and to consider whether to include them as such in the professional learning curriculum.

4.2.9 There is a potential conflict between certain business skills and the values that the national actuarial association may wish its members to develop. Dutkiewicz (unpublished), for example, discusses the dilemmas facing product-development actuaries who have developed the business skills to benefit their employer, the life insurance company, to the detriment of the policyholders. This conflict needs to be borne in mind when accrediting external business management courses.

4.3 THE THIRD STRAND – THE PROFESSIONAL BODY

4.3.1 The third strand concerns how actuaries create and maintain an association that is tasked with ensuring that the skills (the first strand) are delivered in the agreed manner (the second strand). The third strand also covers participation by the association in public debate on matters within its field of expertise.

4.3.2 Members of each association therefore need to be aware of the infrastructure set up to carry out the association's 'third-strand' duties, including, for example:

- ensuring that a code of conduct and guidance notes are created and maintained;
- ensuring that any public interest duties of members are spelt out in the code of conduct and guidance notes in a measurable manner;
- ensuring compliance by members with the code of conduct and guidance notes;
- ensuring that a process exists for problems and developments to be evaluated by the profession, and guidance to be altered as appropriate;
- ensuring that complaints against members progress smoothly through the disciplinary system;
- encouraging and disseminating research and ensuring that the education curriculum is up to date;
- ensuring (but not necessarily providing) undergraduate and continuing professional education;
- having a process for engaging the regulator and the public on matters where the profession can be expected to have valuable insights; and
- encouraging members to offer voluntary community service, such as access to actuarial advice by those unable to pay.

4.3.3 These third-strand duties all relate to the governance of the profession. Garratt (unpublished) defines good governance as the way that the directors of an entity drive its mission forward with prudent control. Codes of corporate governance are becoming best practice in many industries and countries. Yet the codes cannot drive the entity's mission forward without human agency. As Sylva (unpublished) states:

“Effective... governance has two components: the structures and processes for operating and managing..., and the effectiveness of the decision making.

“Professional learning around these third-strand duties should therefore consider not only the structures, but also engage with their current agendas and challenges.”

4.3.4 A particularly relevant example is the disciplinary process. Firstly, regular exposure of those entrusted with the responsibility for the disciplinary process (which in South Africa and some other countries includes non-members of the profession) to their peers will allow debate on whether the profession is adequately policing and prosecuting all transgressions of professional behaviour. Secondly, regular discussion of the circumstances of recently completed enquiries will feed into the members' understanding of what constitutes professional behaviour and prevent behaviour that deviates from the progressive understanding of professionalisation.

4.3.5 Another example would be the profession's chosen level of commitment to the public interest. A task group was set up by the Actuarial Society of South Africa to define what 'an obligation to serve the public interest' means, and to develop appropriate processes. The group implicitly followed a professionalisation approach. The task group executed various research topics such as legal analysis, historical perspective, international perspective, and South African ethical issues. However, they did not derive the requested definition from that process, but recommended that it was up to the

members of the Society to reach consensus on a public-interest role that all members would be willing and able to execute.¹⁰

4.3.6 The envisaged (ongoing) consensus would pay particular attention to the ideological orientation of the profession. Professions that have special knowledge about capital, such as engineers, lawyers, accountants and actuaries, have often been accused of being on the side of capital. For example, Noble (1997) in his review of the engineering profession in the United States of America states:

“The professional engineers who emerged ... as the foremost agents of modern technology became as well the agents of corporate capital. Through control over the education process and licensing, the professional engineers gradually gained a monopoly over the practice of scientific technology—and through the massive employment of technically trained people, the industrial corporation secured a monopoly over the professional engineer.”

Closer to home, both geographically and professionally, Thomson (2005) discusses the public-interest understanding of actuaries practising in Africa.

“Because of its western origins, actuarial science assumes that competition in a free-enterprise market is the best distributor of wealth, and that individuals make decisions so as to optimise the utility of outcomes to themselves. This is quite at variance with African philosophies. It is also arguably at variance with the experiences of African people.”

Regularly revisiting this debate in the LPL process would answer Thomson’s call for some exposure to philosophical debate around public interest in the South African context. There would be no guarantee that actuaries, who are overwhelmingly from the middle classes, would transcend their class position. The members might still democratically determine a public-interest stance that turns out to be inimical to the long-term interests of the profession. But at least the LPL process would regularly provoke a crucial debate that does not happen at present.

5. SNAPSHOTS OF EXISTING PROFESSIONAL EDUCATION

5.1 This section highlights practices in the UK actuarial profession, together with some observations of other countries. In particular, the discussion highlights the target groups for such education and the nature of these interventions. The purpose of this review is to examine whether any of these interventions might serve as models for the planning and implementation of an integrated and systematic programme of actuarial professional education.

5.2 The UK actuarial profession presents a ‘professionalism course’ for newly qualified actuaries. The concept was pioneered in the 1980s, and regular revisions and

10 Lowther, M., Doyle, P., Dutkiewicz, C., Malan, J., Missankov., I, Slawski, J., Thomson, R. & Wanliss, L. *Report of the Public Interest Task Group of the Actuarial Society of South Africa*. Unpublished, 2005

improvements in the programme have followed. A substantial part of the development, review and presentation of the course is carried out by an actuary specifically employed by the profession for this purpose. This work is also overseen by a committee from the profession. The 2004 professionalism course for newly qualified actuaries in the UK¹¹ was a two-day seminar covering the following topics:

- introduction to professionalism and corporate governance;
- professional conduct standards and UK regulation;
- generic case studies;
- legal liability;
- the disciplinary scheme;
- current affairs and challenges;
- field-specific case studies;
- continuing professional development.

5.3 Recently, professional education has been formally extended to actuarial students prior to professional qualification. This is achieved via a selection of the topics listed above being included as a brief section in the new Business Awareness module to be taken by actuarial students midway through the UK examinations.

5.4 The UK actuarial profession has recently also proposed two new requirements for professional education. The first is that two hours of each actuary's annual CPD should go towards developing professional or business skills. The second is that all professionally active actuaries attend an approved professionalism event at least once every ten years. The draft agenda for the first such event differs substantially from the programme offered to newly qualified practitioners and students, and—at the time of writing—was as follows:

- current professionalism issues for actuaries, other professions, and globally;
- ethics case studies;
- field-specific case studies; and
- general discussions.

5.5 The nature of this programme is a significant shift from previous occasional UK courses for experienced actuaries. In the past, to some extent, a one-size-fits-all programme was delivered—both for newly qualified and for experienced actuaries. An awareness amongst professional education co-ordinators in the UK regarding the need for different education for different career stages has clearly driven the differentiation.

5.6 Outside the UK, a number of national actuarial associations, such as those of Australia and South Africa, offer professionalism courses for newly qualified actuaries. These courses were modelled on the UK course, although the Australian course is now

11 Faculty of Actuaries; Institute of Actuaries. *Professionalism Course – Speaker's Handbook*, 2004

longer, and includes business skills. The authors' enquiries have failed to reveal any other advanced courses for experienced actuaries. Particular professional issues are, however, addressed ad hoc at regional and national sessional meetings, and at conventions, in many national actuarial associations.

5.7 Two shortcomings are evident from analysis of current professional education for actuaries. Firstly, while the professional development of actuarial students and new professionals is increasingly addressed by current models of actuarial professional education, the needs of experienced professionals have been neglected. Secondly, actuarial professional education appears to be fragmented and, at times, ad hoc, with no unifying thread to structure all professional education.

5.8 The model for professional education presented in this paper offers the potential to address both of these shortcomings. The three strands of professionalisation organise all professional aspects into an integrated structure and provide a theoretical framework for LPL.

6. PLANNING LIFELONG PROFESSIONALISATION LEARNING

6.1 THE NEEDS OF LEARNERS

6.1.1 The authors suggest that, in the actuarial profession, LPL should be directed at encouraging members to know, implement and review the positioning of their profession with regard to the three strands of professionalisation. How—and even whether—professionals engage in professional education, according to Houle (op. cit.), will depend on career stage and other related factors.

6.1.2 Three phases of engagement are identifiable: as a student, as a new professional, and as an experienced professional. Bertolami (2004) defines the student phase as a 'golden period' when students are thinking most idealistically. Constructs of professionalisation by students draw little on experience and are frequently idealised. However, this is a significant period as the frameworks for professional knowledge, skills, and values are laid down. New graduates, Houle (op. cit.) suggests, are faced by a unique set of professional challenges in that they "have knowledge, technique and attitudes; now they must learn the art of blending the elements of their competence required to deal with each new situation they confront." Synthesis of idealism and reality, and application of knowledge, skills, and values are the sites for professionalisation engagement for this phase. Finally, experienced actuaries are required to engage with new contexts (including social, political and policy) that bring fresh challenges.

6.1.3 Houle (op. cit.) suggests that other factors, beyond career phase, also affect both the needs of lifelong learners and their willingness to engage. These factors include the setting of the professional's practice (e.g. entrepreneurial, collective, hierarchical), changes in career path, quality of the professional's work-life (e.g. problems, crises, collegial support), as well as age.

6.1.4 If it is to be effective, any course that is conceived to develop actuarial

professionalisation should therefore take into account the career stage of the actuary, as well as the individual circumstances of the learner. Educational courses that neglect to do so will result in a mismatch of content with learner needs, and effective learning will be compromised. A negative attitude towards ongoing professional development may also result. As Houle (op. cit.) points out, the practitioner must experience the value of continuing education, if he/she is to make a habit of participating in it.

6.2 EDUCATIONAL PRINCIPLES

The best intentioned professional interventions—even if carefully targeted to the career-phase needs of practitioners—are unlikely to succeed if they are not delivered according to sound educational principles (Houle, op. cit.). A report to the Institute of Actuaries of Australia¹², with specific regard to the development of actuarial education, suggests that course planners need to understand how people learn and what factors influence appropriate teaching methodology (for example appropriate levels of guidance, and making use of learners' experience), and to make use of education professionals to assist in the design and delivery of appropriate learning opportunities. These three insights have been used to structure the ensuing discussion.

6.2.1 EDUCATIONAL FINDINGS

6.2.1.1 Current theories of learning understand the learner as actively constructing knowledge (Biggs, 2003). The learner is actively engaged in the learning process—unlike the traditional approach where the learner is perceived as a passive 'empty vessel' waiting to be filled up with the wisdom of the teacher. With specific regard to LPL, Wilcox (unpublished) goes even further, placing responsibility for the learning with the learner. Noting that professional learning occurs in the workplace as much as on courses, Wilcox suggests that the learner must “decide what needs to be learned or un-learned, how to learn it, and how to test and assess the learning.” The role of the professional body and its education adviser should therefore include helping the members to acquire the skills, strategies and methodologies for successful LPL.

6.2.1.2 Current educational theories also emphasise the role that time plays in learning. If learners are adequately to construct new knowledge, they need time. Real understanding, unlike rote learning, cannot be achieved in an hour or two, or even in a day. It is a process of integrating new understandings into existing frameworks.

6.2.1.3 Assessment is understood to play a significant role in learning. Cannon & Newble (2000) and Biggs (2003) argue that assessing whether learning has taken place is essential. In the context of actuarial professional learning, then, it is arguable that an assessment should be put in place that tests whether professional learning has occurred. However, theories of assessment also argue that assessment must be perceived by the learner as relevant if it is to be taken seriously. Indeed, many educational theorists (e.g.

12 Brownfield, C., Caputo, P., Knox, D., Lyon, R., Shepherd, J. & Smit, J. (unpublished). Education & professionalism – towards a global profession. Institute of Actuaries of Australia, 1997

Cannon & Newble, *op. cit.*; Biggs, *op. cit.*) argue that inappropriate assessment compromises quality learning. Thus, for example, if actuaries are assessed on their ability to implement what they have learned at lectures or workshops in ways that they perceive as policing, they are more likely to engage in window-dressing and compliance rather than real behavioural awareness or change (Stephenson, unpublished).

6.3 TEACHING METHODOLOGY

The pointers of the report to the Institute of Actuaries of Australia (*sup.*) suggest that teaching methodologies are important to effective learning. In this section a variety of teaching methodologies are evaluated for their potential to facilitate quality learning.

6.3.1 LECTURES

Lectures, where experts address a forum of passive learners, are a very common teaching methodology. However, Canon & Newble (*op. cit.*) suggest that lectures are not a very effective method for facilitating learning. The learner is not actively engaged in the learning process. There is insufficient time to integrate new insights into existing frameworks. A superficial approach to learning is usual—compliance with the demand to attend the lecture, rather than engagement with the meaning of the content.

6.3.2 DISTANCE LEARNING

Distance learning (for example, e-learning and student assignments) is increasingly popular as learners from a variety of different locations can be serviced. These types of structured learning have the advantage that they can be performed at the time and place chosen by the learner. Quality learning may occur when time is no constraint, and the resources can be revisited. A disadvantage is that the learner is alone, and does not have the opportunity to discuss insights with peers.

6.3.3 WORKSHOPS

6.3.3.1 Workshops are characterised by active small-group learning around carefully structured tasks (for example, group discussions, role plays and case studies). The leader or teacher acts as facilitator of learning rather than expert in control of the knowledge. Participants are required to think about issues and to discuss the relevance of these issues to their own professional practice. A deep approach to learning is encouraged by the context.

6.3.3.2 However, a single workshop may not provide adequate time for new insights to be integrated into existing knowledge. It is arguable that a series of workshops, spread over a period of time, would better allow the development of understanding, the integration of new insights into existing knowledge, and the framing of theoretical constructs for understanding the new knowledge, skills and values. While such a model has the disadvantage of extended time commitment—and consequent cost—for both facilitators and participants, the advantages for quality learning are significant. In this regard, the authors maintain that the existing concentrated two-day professionalism courses do not adequately allow for integration of new insights into existing knowledge.

To achieve this goal it is arguably necessary to have a series of interventions over a period of time. However, the length of each leg might be reduced to only one day, or less.

6.3.4 PORTFOLIOS

6.3.4.1 A portfolio is a focused, purposeful collection of learner's work that documents evidence of learning, progress and achievement over time. Portfolio compilation has already been incorporated into the technical side of pre-qualification training by the UK actuarial profession. In the portfolio, the learner assembles, presents, explains and evaluates his or her learning in relation to the objectives of the learning programme and his or her own purposes (Cannon & Newble, *op. cit.*). The learner makes a selection of evidence that he/she believes best demonstrates his/her learning with regard to the current task. A portfolio approach allows the learner to add and remove evidence as his/her insights change, as new contexts challenge accepted norms, and as the learner applies his/her learning to new and varied contexts. This approach leads to quality learning as learners are required to integrate new learning into existing frameworks in order to make, or change, the selection.

6.3.4.2 On the negative side, portfolios are time consuming, and unlikely to be undertaken by busy actuaries without strong motivation. It is here that assessment plays a significant role. Because portfolios are such a powerful teaching and learning tool, their compilation has more chance of being taken seriously by learners than the more traditional forms of assessment like essays, tests and examinations. However, the way in which the portfolio is assessed will have a further effect on the quality of learning. For example, the UK actuarial profession has proposed that CPD records (which are a simplified form of a portfolio approach to assessment) be examined on a sample basis. The apparent advantage of such an option is that practitioners are forced to engage with the focus of the portfolio. Implicit is the assumption that completing a portfolio equates to improved practice. Evidence from the higher-education quality-control context (Stephenson, *op. cit.*) is that most practitioners perceive outside initiated quality assurance as irrelevant and engage with the task only so far as it is necessary to demonstrate compliance. Thus little real change or quality learning takes place.

6.3.4.3 An alternative option, and more educationally sound, might be to ask actuaries to take responsibility for the compilation and updating of their own portfolios. They might be requested to submit their portfolio once each year to a peer for review.

6.4 USE OF FULL-TIME EDUCATORS AND OUTSIDE RESOURCES

The argument presented here is that strategies for professionalisation learning are educational interventions—and should therefore be overseen by a dedicated committee from the professional body under the guidance of an adviser with educational expertise. Their mandate should be to design educationally appropriate interventions for each phase of the actuary's professional life. Outcomes for each phase should be designed by the team to structure the nature and content of these interventions. Furthermore, such a committee should consider which aspects of the learning programme are best outsourced to commercial providers (a good example would be business management skills), which

taught by actuarial educationists at universities, and which presented by suitably mentored professionally active actuaries (for example, ethics case studies).

7. CONCLUSION

7.1 The preceding discussion provides a framework within which a national actuarial association might develop an LPL programme. Circumstances in different countries will naturally lead to different models. In the specific case of South Africa, where the authors are based, the following preliminary recommendations for LPL are offered.

7.2 As argued above, a blueprint for professionalisation education in South Africa needs to target professionals at each stage of their career. The implicit model for LPL evolving in the UK provides a potential framework for elaboration. Currently consisting of a few hours of 'professionalism' education in the Business Awareness Module, a two-day course on qualifying, two hours of professional CPD a year, and a ten-yearly seminar, the outline may valuably be elaborated to include attention at all phases of the professional career. It might include a student phase, a new-actuary phase and an experienced-actuary phase, as discussed in the following paragraphs.

7.3 Some South African universities offer students a brief insight into professional behaviour via an occasional non-examinable lecture. These interactions might be increased and broadened, and also included as part of the required credits for the university degree. These studies could usefully be integrated with the module on professional matters included in the new Business Awareness course that students of the Faculty and Institute of Actuaries are now required to take.

7.4 Existing seminars attended by actuaries at the time of qualifying have developed over the years, both as a result of course developments in other countries, and as a result of innovations suggested by the presenters and attenders. It is suggested that these courses not be offered in isolation, but as part of an LPL programme. Accordingly, the objectives for professionalisation learning at this stage of the actuary's career need to be defined in a manner informed by the preceding discussions. This may well lead to a review of the format of these courses, taking into account the pedagogical matters raised above. For example, rather than providing learners with a once-off broad agenda, the authors envisage a series of shorter, focused group workshops, with developmental tasks to be completed in between.

7.5 There could be a variety of interventions thereafter. The CPD programme of the UK profession, to which most South African actuaries belong, encourages (and in some cases, requires) members to carry out at least two hours of so-called professionalism-skills CPD or business-skills CPD each year. This would be a useful starting point for regular involvement of experienced actuaries in LPL. The authors suggest that the Council of the Actuarial Society of South Africa encourage their two relevant

sub-committees (i.e. the CPD Committee and the Professionalism Course Committee) to initiate a soundly structured LPL programme, informed by the above discussions. There may well be a place for the ten-yearly seminar now being introduced in the UK, but this would need to be part of a sound pedagogical plan. As mentioned in ¶6.4 above, the planning process should involve input from an expert education adviser.

7.6 As illustrated in ¶¶4.3.4 and 4.3.6 above, it is hoped that the envisaged LPL programme will not only develop the professional standards of behaviour needed to perform effectively and efficiently as an actuary, but also constitute a forum for the continual review of those standards.

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