

Global Career Reflections with Mark Baxter

Interview Transcript

Julia Lessing: Hi everyone. Today we're talking about the value that working internationally can bring to your actuarial career. And joining us for this discussion is experienced actuary and truly global actuary, Mark Baxter.

For the past 40 years, Mark's had an extensive global career as a C-suite executive and director in financial services in Sydney, Hong Kong, London and Cape Town, with his main specialty being in strategic risk management and developing and leading large, complex and diverse teams.

Named as one of Australia's top 50 LGBTQ role models by Deloitte and Google in 2018, Mark acknowledges that in all the C-suites and boards on which he's served, he's always been, in his words, "the only gay in the village", with all the baggage that includes. He's keen to see talented people from underrepresented groups being included in the highest levels of corporate Australia.

And being orphaned in his teenage years and from a working-class background, Mark developed a strong community focus and has supported several not-for-profit and arts organisations both here and overseas. Mark's also mentored several LGBTQIA students in developing their careers, and he currently serves as a non-executive director and is also a qualified personal trainer and group fitness instructor.

Wow, Mark, thank you so much for joining us today. I know there's so much that we could talk about because you have had such a diverse career and you have been involved in so many important causes. I know many actuaries know you for your important work, trailblazing really, in the LGBTQ space. I know we could probably talk about that a lot, but we're not going to because I know you've talked about that on some other podcasts and we'll include links to that in the show notes. But instead, we're talking today about your global actuarial career and what you've learnt from that.

So thank you so much for joining us today, Mark.

Mark Baxter: Thanks, Julia. Great to see you. I really enjoy doing this today. It's great to talk about the international career rather than the LGBT stuff for something a bit different.

JL: Yeah, both so important and so many insights that you've got from that experience. So Mark, you have had a truly global actuarial career. How did that come about?

MB: Well, funnily enough, it was kind of a deal between me and my partner at the time, Sally. She was a book editor in Sydney and really was desperate to get to London because that's seen as sort of the centre of sort of Western or Commonwealth book publishing. But I was doing my fellowship exams. The deal was when I finished the fellowship exams that we actually take off to London. It was a complete blast. It was in the late 80s when the London markets were actually opening up and I ended up at KPMG in their very new Actuarial Services division at the time. Australia hadn't even set up then.

JL: Oh, really?

MB: Yeah, it was pre-Australia KPMG. And it was just a blast. It was just an absolute blast. We did the year-long backpacking and then landed in London with no money. And Sally ended up with a great career in publishing and I ended up sort of probably getting a taste for travel and a taste for sort of getting into different environments and that kind of meant that I just got the travel bug.

JL: Wow. Bitten by the travel bug after making a deal with Sally to go to London after your exams. Okay.

MB: That's right.

JL: Sounds very exciting and like a very exciting time as well. Mark, can you tell us about your first international leadership role and what you learned from that?

MB: Yeah, I returned from London and sort of settled down at Mercer, interestingly, and I still actually remember, and I was still only 29, and I still remember sort of getting into the office early one morning, a beautiful Sydney day. The phone rings at sort of about 8 or 8.30, which I was surprised it was an early call. And it was the chief executive of Asia Pacific. And he just said, oh Mark, you know, you've been traveling around because I happen to have met him in London before I got back to Australia and he said "Oh, you're used to international experience. How would you like to lead the Hong Kong office?" and I went really?

JL: It was a surprise?

MB: Yeah, it was completely out of the blue and I hadn't really thought about it and it was back in 93 actually, I think and so I went and had a bit of a recce, a couple of weeks in Hong Kong to see what the office was like and to be frank it was a bit of a mess.

JL: Was it?

MB: Yeah. And then ended up accepting the role. I initially came back and said no.

JL: Did you?

MB: Yeah. My boss at the time thought I was a hard bargainer. So I was actually being sincere. I wasn't negotiating, but in the end I couldn't say no and ended up in Hong Kong in '93.

JL: So it was a tough choice for you to take that opportunity. You said no to start with and you really meant it.

MB: Yeah, because initially, hopefully I was self-aware at the time because I was 29 and it meant that I would be the youngest office head in Mercer. I thought it was a bit daunting to go to an office which was only 20 people, losing a lot of money and needed rebuilding. I thought, really?

JL: It felt like too much of a challenge or felt like something you didn't feel ready for?

MB: It felt a bit daunting. Finally I ended up going for it and in the end I thought, well things can't get worse.

JL: So it was daunting and there was some negotiation to get you over there and you agreed to it in the end. What was it like and what did you learn from that experience working in Hong Kong?

MB: Well, it was a combination of a couple of things. It was, you know, everything felt alien when you got there. There was quite a few things that felt similar because of being an English colony at the time. But apart from that, you know, getting used to sort of Hong Kong Chinese culture and stuff like that. So everything was really quite different. The office, of course, was bilingual. It was both Cantonese and English. I quickly learnt some Cantonese. You often end up learning the, what would you say, the more, the less polite Cantonese.

JL: The colourful language?

MB: The colourful Cantonese. Yeah, and I really had to learn about, you know, what people thought of hierarchy, getting used to the culture, learning about how expats actually fitted in and the nature of expats and so forth. And I've got to say I was actually really lucky. I was actually given a very good Chinese name, which was great, which actually confused people because it seemed like a traditional Chinese name. Even though I was a white person, or am a white person.

And I didn't realise too, the nickname in the office is very important and it sometimes makes fun of the expats or is almost respectful. And I was actually called DaiLo, which, I'm not getting the tone right

now, but it actually referred to Big Brother, was the loose translation, but it was also a character in a very famous Cantonese film in Hong Kong, almost a gangster-like person.

So I wasn't quite sure of what the nickname actually meant. But it was kind of like I had to be resilient because the office was losing money and I had to quickly learn how to actually develop clients really quickly or even get clients confident that Mercer wouldn't let them down because we were by far the smallest consultant in Hong Kong. The main one was Watson Wyatt that had most of the business.

JL: So how did you do that, Mark? I mean, you were there, you were a white man, a young white man in a different country. How did you build rapport and build that trust?

MB: Well, the interesting thing is I was really lucky because for some strange reason, I was actually able to pick up Cantonese relatively quickly.

JL: Not just the swear words.

MB: No, not just the swear words! And I could actually have a small talk with prospects in finance, not much more. Once you got into business, it was all in English. And I actually manned the phones, knocked on doors. And I was at the time, you know, like a lot of actuaries, I think I was pretty introverted, but I had to just get out there and get over those, get over those sort of issues with being introverted and not, not be scared of rejection. And we started running conferences, we started doing things a little bit differently.

I think too, I was lucky with timing because there was a real move to defined contribution plans at the time. And I really pushed that as part of what Mercer could do and set up the investment consulting division there and set up an admin division as well. And the business grew after six years to about 140 people and making lots of money. And I jokingly said, I did six years of a two-year contract.

JL: Right.

MB: By the time I returned home, but it was getting, I returned home in December 1999, because I wanted to celebrate the millennium with friends and be in Australia for the Olympics. So that was kind of, and I thought I was coming back to Australia to live, but permanently, but that wasn't to be.

JL: That wasn't to be. So it sounds like the Hong Kong experience was amazing for your career, even though you weren't quite sure whether you were ready for that, for that challenge, you really embraced it and learnt a lot from it.

MB: Yeah, it was. Look, I made an enormous number of mistakes along the way and I kind of had to adapt a bit. I look back at myself and at times I possibly felt as if I was a legend in my own lunchbox. I really, really learnt a lot and it was fascinating. It was actually – the big thing was about being dropped in an environment that you know nothing about and actually working out how you can actually quickly learn about that environment and actually learning that for a lot of things in different countries – I think I'm stating the obvious – people, they do things in quite different ways. Nothing is actually wrong. So I was actually trying to understand where that has actually come from and why that's being done and not approaching things with the attitude that must be wrong because we do this in Australia this way.

JL: Right, being open-minded to different ways.

MB: Yeah, different ways of doing things and it's just, it was fascinating actually. And then I went to the UK for a while.

JL: Tell us about that because after Hong Kong, you didn't just come back to Sydney and stay here. You've since had extensive global leadership experience. What was that like and how did you navigate those challenges of managing different people in different countries with different cultures? How did you do that?

MB: Yeah, look, it was interesting because probably one of my – I took a big role at Old Mutual. I was the global chief actuary and the deputy Chief Risk Officer for Old Mutual based in London. But Old Mutual at the time had Scandia, which was all the Scandinavian countries, it had Europe, we had an American division and of course we had South Africa and Zimbabwe and so forth. And I effectively ran the entire actuarial division across the globe. And so it was about 500 people. So you had all the Scandis, you had all the Europeans, you had the South Africans, you had a lot of Americans and so forth.

JL: Such a diverse team and all with their different cultures and ways of working and ways of living and all their differences.

MB: Very much. And when I landed at Old Mutual, the UK was actually in the throes of implementing Solvency II. And that meant the entire global actuarial network really had to come together in a massive project to be able to do the appropriate valuations and reporting for Solvency II. One thing that I felt strange about, because I'd actually moved on from actuarial work but being the global chief actuary for Old Mutual I ended up being caught up in a lot of traditional stuff again. But Solvency II was fascinating. But I had to get people working together so eventually – well, not eventually but relatively quickly – I did a huge conference down in Cape Town for the actuarial division. I made it a bit different in that people were a bit sceptical to start with in that I had a whole day where we did a piece of charity work out in one of the townships.

JL: Ah, tell us about that.

MB: And we were basically painting a childcare centre and it was both rewarding and a bit sad and fascinating because the childcare centre was only made for about 20 students but there was often 80 there every day.

JL: Wow.

MB: And because of HIV, it had actually ravaged the African continent. And a lot of people were being looked after by older siblings, or people didn't have parents, grandparents. So there were kind of all these broken families. And we were there just painting the childcare centre. But it was a really great way of actually getting conversations going. Because when I was sitting in London, you know, I used to hear that the people in South Africa would complain about the people in London and the Europeans would complain about the people in London and the Scandinavians would complain about the South Africans and whatever.

JL: That sort of us and them type mentality that they're different and there's, yeah, we're not the same. We're not on the same page.

MB: Yeah. But getting a heap of us at a conference at a childcare centre, particularly with that background of the people at the childcare centre and the woman who ran it, she was a saint. She was a complete saint. People had an opportunity to just have those conversations. It wasn't this, you know, snatch conversations between technical sessions.

We actually were there for about 10 or 12 hours. We painted the entire thing. And it really bonded the team. It was really interesting, stuff like that. It's really, get a good purpose and people start coalescing under it and they start getting comfortable about talking about issues that they might have, frustrations they might have. And it's about getting people to talk and actually having real conversations. And I purposefully made that the first day. And then the next two days, the conference was an enormous success. It was just fantastic. And we got an enormous amount of things done.

And in the end, Old Mutual got their Solvency II approval, and we got a whole heap of stuff done. And we had some really interesting off-the-wall external speakers as well, not necessarily technical sessions. We had some futurists and stuff like that to make it interesting. So, so it was probably maybe not dissimilar to the World Congress because we had something like 300 actuaries there.

JL: Yeah, yeah. I mean, I think that's such an interesting point that you've made though, Mark. It's you know, when you've got people from different places coming together, if you can have that kind of

leveling type activity that's sort of not about technical and it's not about us and them. It's about just connecting on a human level with a shared purpose.

MB: Exactly.

JL: How powerful that can be and how powerful that can be to break down barriers and to bring teams together. I think that's a fantastic example that you've shared. Thank you.

MB: Yeah. It was great, actually. And look, for budget reasons, I chose Cape Town because most of the people were participating from Cape Town.

JL: Right. Right. So you're still practical.

MB: Being practical. Well, the nice thing was even the, even the actuaries who were based in Cape Town or Joburg, had not really been amongst the townships too much and found it fascinating themselves to come to a township.

JL: It sounds like it and I imagine that's even quite applicable today in this post-pandemic world where people aren't even in the office in the same organization in the same city so much anymore. So the benefit of that getting people together is quite powerful.

MB: That is.

JL: Yeah. So it sounds like your global roles have provided you with some really great perspectives and some very unique expertise and unique opportunities. How valuable was that new toolkit when you came back to Australia?

MB: Look, it's an interesting one on a personal level. I have found it incredibly valuable. It sort of has changed my outlook on life, changed my outlook on work, stuff like that. At times I think international experience is actually undervalued in Australia and it's not, yeah, and it's not just with actuarial or risk people, I think broadly, there's an expat group called Advance, which is, you know, trying to promote returning expats and Australian actuaries globally. You know, a common refrain is, oh, you've been, you've been offshore a long time. You don't have too much Australian experience.

JL: Ah, okay. Undervalued because, not for what you can bring, but because of what you might have missed out on from not being here.

MB: Yeah, there's a perception at times that the way Australians do things is different, but it's not really. And it kind of is fascinating. But having said that, the global experience, I've got this great global network of people, and we often reach out to each other and help with things. And it's really nice to bounce things off. I've got a very old friend, She's the Chief Risk Officer. She used to work in my team and I'm really proud that she's become the Chief Risk Officer of a major insurer in the UK. She still calls me boss, which annoys the hell out of me. But she every now and then will just WhatsApp me and ask me a few questions and I'll do the same back. And it's really nice having that. People with different lived experiences will actually approach things in a different way, and I think that's, I think that's a really powerful way of actually getting good results.

And so it is around, you know, diversity of thought, but, but I do find at times in Australia, sometimes there isn't that openness to broad things. If you look at one example, have, you know, you look at one of the major banks, they say they've done a global search, but they end up appointing an Australian. So you kind of think, you kind of think, really?

JL: Did you really?

MB: Yeah, but on a personal level it's been just an absolutely sensational thing. And I feel as if in the workplaces, I've actually learned an enormous amount, I've made a lot of mistakes, but I've also learnt an enormous amount as well, in the way people approach things, in just dealing with diverse groups of people as well. You know, I use the example when I was on the ExCo at [Prudential] in London, we had a female South African chief executive who I adore, we had a Muslim CFO, we had a Hindu chief

marketing officer, we had a gay Australian CRO and the whole gamut of things around the table. And I just really love that diversity, whereas often you'll actually find, unfortunately in Australia, you look around the table and everybody's white and middle-class and with very similar lived experiences often. And I think I really enjoyed the diversity offshore, even in South Africa when I was on the board of a major general insurer.

South Africa had this thing called Black Employee Empowerment, which is very much about because of the past apartheid, it was actually about promoting the people from the black community and trying to educate people and have people come forward. And so of course we had, and South Africa, everyone's called "Black" I'm not being pejorative. And we had Black directors that came with their own perspectives to the table, which was actually fascinating. And we're always talking about how do we actually empower these people who had been downtrodden for so long. And so it's going to take generations to fix, but it was really interesting dealing with those issues.

JL: So I'm curious to hear what you think about this and having listened to your experience, you've had those kind of more homogenous, everybody looks the same, everybody's got the same kind of worldview type situations and then you've had some very diverse experiences where you've got people with different religions, cultures, backgrounds, different ways of thinking. What do you think's the key difference between having diversity or having more homogenous group in making decisions. What's, what have you seen, what have you noticed?

MB: Look it's just, it often sounds like a cliché but it is that diversity of thought because if a problem is kind of presented, people will actually approach it in quite different ways and things that and ways that you may not have actually thought of and I think that means you actually get to a better solution. I think too using my Prudential example, for example, if there was a diversity discussion, everybody would pitch in, everybody would have a really good conversation about it based on their own experience.

Often I've been on ExCos in Australia as being the only gay in the village. If there's a diversity discussion about LGBT, everybody just looks at me. And there isn't sort of this, this kind of, you know, respectful and almost challenging at times conversation because I think, I think conversations do have to be challenging in order to get better solutions. There is a danger when you have a homogeneous group that nobody wants to offend each other.

JL: Right.

MB: And they avoid the challenging conversations. And so, yeah, so I feel as if internationally I've actually come across that a lot more than I have in Australia, which I miss a bit.

JL: Okay, okay. So it sounds like there's power in that diversity of thought. So, I'm also curious to explore when we're working as actuaries with non-actuaries, because you've held senior roles in large companies where you've had to work with non-actuaries. How has your global experience helped you in those situations?

MB: Look, it's interesting, and if you don't mind me saying, I think it was from my time in Hong Kong, I backed off from using the term "non-actuaries".

JL: Ah, why's that?

MB: I tend to use the word "other professionals".

JL: "Other professionals", okay. Is there a reason why "non-actuaries"...I mean, yeah, use "non-actuaries" a lot.

MB: I've probably always been slightly uncomfortable when actuaries use the term non-actuaries because it almost implies a superiority.

JL: Ah.

MB: You're a non-actuary. and so it might be me being a bit of a pedant, but I prefer to talk about being a professional and I'm working with other professionals because I've been talking about diversity of background, but in the UK when I was the CRO of the [Prudential], I had lawyers, I had accountants, I had operational risk specialists, I've had culture people, and I had actuaries, but I wouldn't say I've got actuaries and non-actuaries.

JL: And I guess when I think about it too, it makes sense when you say that non-actuaries could be, you know, we're suggesting that they're not as good as actuaries in some way, and I guess also it's sort of making an assumption that anyone who's not an actuary fits into the same bucket called non-actuary, which isn't really true either. So, yeah, interesting terminology. Thanks, Mark.

MB: That's okay.

JL: So when you've been working with other professionals, actuaries and other professionals, how's your global experience helped you in those situations?

MB: Look, I think it's just I think it's actually getting back and I feel as if I'm sounding like a scratched record. It's just that it's just that sort of openness and inquiring mind and that curiosity in terms of trying to understand where the other person's coming from really, really getting that really challenging and constructive conversation to actually get to better solutions. And, you know, some people find that a little bit challenging, but I think that's where the global experience has actually really helped me because I'm always quite, and I'm always just generally interested in where people are coming from. And, and I do think that actually just gets better solutions.

JL: Yep, yep. Sounds like that global experience has really given you some great tools and perspective to be able to navigate those more diverse conversations here in Australia as well.

MB: Well, I hope so. You know, and the other thing is just really just the exposure to other cultures as well and traveling. You know, I used to go to chief actuaries conferences in Europe and you'd actually have people from all over Europe with their own perspectives and from their different markets and so forth, and they were just sensational. I remember speaking at one in Istanbul and the people came, you know, even though it was all just actuaries, they all came from different perspectives on how things should be solved.

JL: So many dimensions of what makes us human so many different characteristics and as you say you can harness that diversity of thought that can be really powerful uh for different perspectives and different decisions on things.

MB: Very much.

JL: Excellent, Mark thank you for sharing all of your stories and anecdotes and experience with us today. I'd like to leave with one final question, and it's this, what's one piece of advice that you'd give to actuaries considering whether to pursue a role overseas?

MB: Well, I think I'm going to sound like a sportswear manufacturer because it's going to be, just do it.

JL: Just go for it?

MB: Just do it. The thing is that, yeah, it just opens up your life or it has actually opened up my life. I've been really, really lucky with all the travel and it's just been absolutely fascinating. And I think it's sort of just an exciting thing to do. So just do it.

JL: Just do it! Great advice! Thanks so much, Mark. It's been wonderful talking to you on We Are Actuaries today.

MB: I really appreciate it, Julia. Thanks so much for having me.