

## DEVELOPMENT OF PROFESSIONALISM OF LATVIAN ACTUARIES

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### Abstract

Authors have described formation of professionalism over time. Professionalism components used by professional organizations of Latvia to estimate professionalism of its members are worked out in article. Additionally authors have investigated the models what follows development of professionalism of Latvian Actuaries and have tried to use astrolinguistic techniques to create quantitative analysis of professionalism.

Keywords: professionalism, components, acmeology, astrolinguistic, Latvian Actuarial Association, model.

## 1 INTRODUCTION

A famous saying by Verner Karl von Heisenberg, the Nobel prize winner in physics states: “We deal not with laws of nature, but our perceptions of them”. Thus, the notion of professionalism in the world is interpreted ambiguously depending on the selected mode approach to the structure of knowledge, field of activities, country and other factors.

Latin, English, French explanatory dictionaries provide much broader and varied meaning of this notion laying emphasis on the intellectual sphere of performed activities along side with the second meaning (a declaration of belief in a religion).

In the dictionaries and reference books in Russian and Latvian the notion of professionalism is absent. As a rule, there are given such similar terms as “profession”, “professional”, and “a professional”.

For example, “Profession is any form of employment” (V. Dal), “... a form of employment that needs special training and provides means of existence” (Soviet Encyclopedian dictionary), “... a kind of occupation, employment” (Ozhegov). Only the explanatory dictionary of the Russian language by S. Ozhegov [11] gives a definition of “professionalism” as showing or using the qualities of “training a member of a profession”, that certainly does not introduce a full idea of this notion.

However, in all these cases, the original is considered to be the Latin verb *profiteor* in the first meaning: to declare about themselves. Cultural etymology of the word “*professio*” is related to the comprehension of the given intermediary function (profession – declaration of states public recognition of a person’s status knowledge social role). A professional in this case is a person who bears status cultural norm embodied in knowledge. To become a professional in this sense means to get this cultural norm become its bearer.

## 2 METHODOLOGY

Models of Stan Lester and Felix Geyer are used to characterize development of professionalism of Latvian actuaries. Additionally methods of astrolinguistic were used to check successful activity of actuaries.

## 3 DISCUSSION

### 3.1 History of foundation the concept “professionalism”

Later the origin of commonly used nowadays meaning of the word profession is so evident that makes us consider with more attention the ideas that preceded this definition – self-definition. The history of it is far from being linear.

The historical fact is that the boat was built by an amateur but The Titanic - by a professional. The development of the notion professionalism in the world is closely linked to the economic life of humanity.

Taking into account the frames of the report the authors limited themselves to a very brief reference bound to include excessive generalizations and to large extent superficiality. In order to consider the process of foundation development of professionalism in the field of actuarial activities in Latvia it is recommended to consider the main constituent parts of professionalism applying a historical method.

In antiquity professionalism was practically absent as actually every specific job was performed by slaves, paid employment (prophets, agriculturist and other public servants) was rewarded within the framework established by law and not by the very providers of these services.

The indications of professionalism are possible to find in medieval shops. The caste system of professionals including professional jargon retained till nowadays (in actuaries as well) and is an effective means corporate security. Medieval times gave birth not only to shop organization of professional activity the first systems of assessing professionalism (professional workers, masterpiece) but also to a very important feature of professionalism – prohibitions (a professional is not only that one who knows how and what to do but also that one who knows what is not allowed to do). The middle of XVI-th century a great breakthrough in establishing of the elements of professionalism was evident.

We all deal with habitual trinity - skill-knowledge-professionalism nevertheless its composition is becoming complicated.

First, such “inner” knowledge is getting complicated: above the frame of knowledge engaged in inner activities (knowledge about skill and professionalism); knowledge about knowledge is built up – that is a general foundation of cultural erudition.

Second inside knowledge as such are formulated both similar knowledge about knowledge and a peculiar skill inside knowledge, to which can be fully attributes the notion of professionalism.

Strictness of dating in this case is irrelevant and anyway it would not be a mistake to state that by the middle of XVII-th century forms up the main elements constituting a new kind of activities-professionalism. In order to drive thrive these elements into motion the only thing left was to wait for a newly organized social demand inspired by national bureaucracies.

The well described processes of modifying the demand in relation to establishing regular armies and fleets as well as pro-export economic consideration equally manifested by Ludovik XV’s minister Fuke, the British Parliament, Peter the Great in Russia or French Convent eventually entail a new academy and a new University. Key characteristics of professional organizational activities were formed in this span of time:

- right to activities is determined by a standard document about completion of relatively standardized training some range of knowledge about knowledge, knowledge about skill and skills;
- programmed composition of knowledge and skills possesses a relatively high stability of reproduction in time consolidating in certified textbooks and teacher aids;
- teaching is performed by persons possessing in addition to standard documents of the first range documented certificates of standardized professionalism (scientific degrees);
- labour market is mostly build up in relation to the existing system of professionalism;
- development of formerly unforeseen demanded on specialization is an impetus to the system of reproducing professionalism against the necessity to establish a relevant professional standard;
- interaction of the system of reproducing professionalism with expanding in the logic of scientific advance field of application of professionalism leads to self multiplication of professionalism i.e. to a narrower specialization.

For further and more detailed historical information of concept “professionalism” see Clare Bellis [1].

### 3.2 Dynamics of professional components in the life of people

Performed analysis of requirements of different professional associations [7,8] to the professionalism the authors singled out the main components of professional capacity of specialists of given professions. Having used the given components – professional associations assess professional competence of applicants to their membership. There are 6 such elements: knowledge, competence and skills, ethics, experience, activities (actions) and mental capacity (see Figure 1). The authors consider that a constituent part of professionalism

is “competence”. By competence is meant correspondence of the individual to the requirement of profession, possession of knowledge, enabling to judge about something, to state authoritative opinion, ability and skills to perform certain labour functions. At present, most specialists [12] define professionalism as integral personal feature of a man who has mastered on a high level norms of professional activity and professional communication, follows professional value orientations and professional ethic, develops his (her) personality by means of profession, enriches the experience of profession, aspires to induce societal response to profession, flexibly takes into account new community requirements to profession.

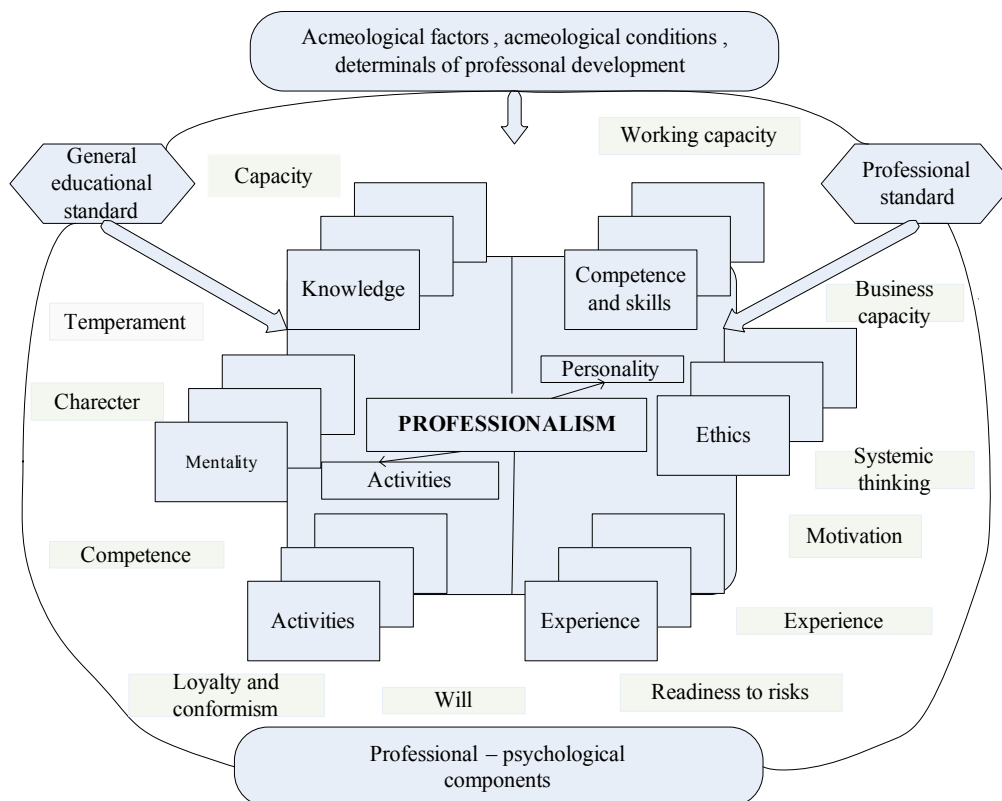
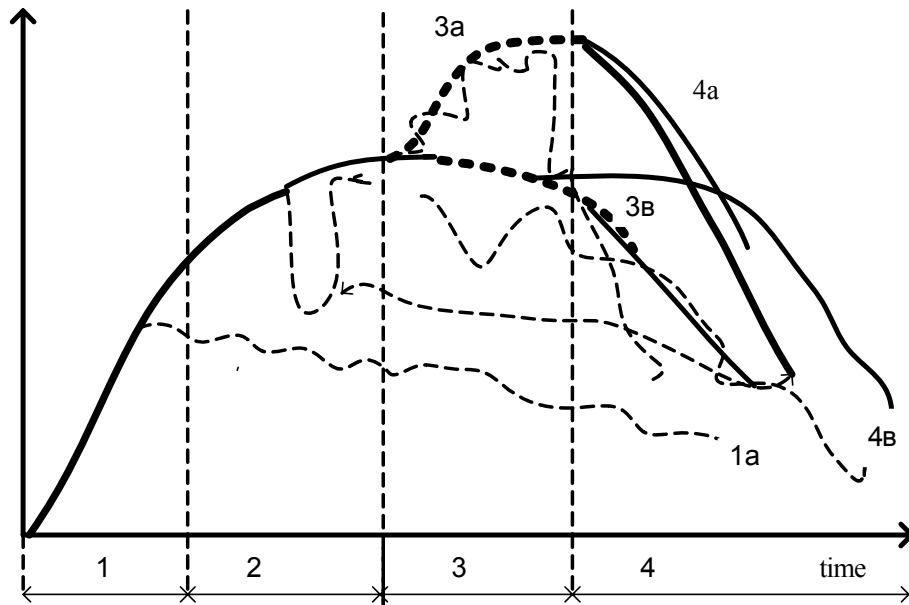


Figure 1: Components of professional competence of specialists

Every of this component is needed in different levels for different professions. In recent years new tendency of prevailing acmeological approach to the definition of professionalism including professionalism of activities and professionalism of personality, being in dialectic unity has appears in world. It is science about the best achievement in the field of professionalism [9]. The word “acmeology” dates back to the Ancient Greek “akme”, originating from the word “axis” (blade) and meaning the highest degree of something blossom ” en akmy einai” means to be in full blossom, at the highest level of progress. In acmeology professionalism is considered as dialectic unit of personality and activity components. Both of them in relation influence all six components, which are tested for professionalism. To investigate personal components of professionalism is possible to use such techniques as surveys, tests and astrolinguistic. The authors by no means consider the application of astrolinguistic techniques the only reasonable one and giving highly precise results. However, as a supplementary technique in doing research about personality professionalism the authors find it possible to illustrate using astrolinguistic method on the

example of selection of actuaries, members of Actuary association in Latvia. In addition these conclusions cannot be claimed to be truthful enough, because to compile individual horoscopes we need such important information as an exact date (hours, minutes) of birth, but this information is not available for the most half of the subjects of the research.

But all necessary components of professionalism are in dynamics. There exists a life cycle of professionalism, as man becomes a specialist not in one day and but passes several stages. Similarly to a life cycle of product in marketing professionalism may be considered as dynamic structure having its own life cycle. In professional life there may be repetitions and retreats to the previous levels and also fluctuations and crises. See Figure 2.



1. Pre-professionalism. A man carries out certain jobs, having no professional qualities, does not achieve high labour and creative results. Some workers stay at this level.
2. Professionalism. This level covers most people's lives, obtains qualification, masters norms of profession, makes work free, independent creative labour makes aware and develops a person as professional
- 3a. Super professionalism. A person becomes and innovator, beyond his/her profession, impact on the progress of society in general.
- 3b. Pseudo professionalism. At this level a person usually works actively but occurs deformation of separate components of professionalism, for example, increase of the goal of personal success at the expense of other targets.
4. Post professionalism. All retired people go through this stage but weather it with different degree of dignity: professionalism in the past (4a) tutor, expert, adviser (4b).

Figure 2: Dynamics of levels of professionalism

### 3.3 Features of models defining establishment of actuarial professionalism in Latvia

Foundation of professionalism of actuaries in Latvia starts in 1994 when Latvian Ministry of Welfare organizes first international conference "Implementation of Financially Reliable Systems in Social Insurance". Knowledge about insurance mathematics and technical skills were performed on that stage. Later they were developed in First Level Actuarial Diploma

Courses in Vilnius University in 1996 and in Advanced Diploma courses in Vilnius in 1998-1999. In the same time Latvian Actuarial Association was founded in 1997. Additionally large role in professionalism played The Third International Professional Meeting on Leaders of the Actuarial Profession in Central and Eastern Europe in 1998 in Riga. Many of Latvian Actuaries took part in mentioned meeting to obtain experience and improve skills to thanks other colleagues from different countries. The large role meeting played in creating interest about profession of actuary in Latvia too. In time interval from 1998 until existing (2005) we have reached appropriate level of professionalism to develop ourselves to take part in different seminars, meetings, conferences and congresses. Nowadays board of association under Groupe Consultatif Continuing Professional Development Strategy has worked out and general meeting has accepted that everybody at least once in three years have to take part in national or international seminar, colloquia, workshops, meeting or conference related with professional development and accepted by board like appropriate for CPD. Additionally board has worked out monitoring program of CPD.

If we would compare developing of professionalism of Latvian actuaries with the models of management (actuarial activities may also be referred to as top-managers) given by Lester [4] who took as a basis the studies as Schon (1983)[5] and Fish (1985)[2] under the conditions of chaos and lack of stability (see Table 1) it would be possible to characterize developing of professionalism of the actuaries in the first period (1994-2000) following model B. Table 1 provides the summary results of the comparison of two models (normative A) and creative-reflexive (B) performed by Stan Lester. When external environment stabilized (normal basis for regulation insurance, macroeconomic indicators of Latvian republic joining the European Union) the development of the professionalism of actuaries occurred by using model A. In the same time the development of professionalism of Latvian actuaries in the first period can be characterized to use Felix Gever (1998)[3] characteristics given to professionals:

1. They are aware that their model is dependent on experts, open to the reception of new information from their colleagues working according to different models; make use of all their experience to understand how their previous experience, living conditions and psychological type affect the construction of the model of their own behaviour.
2. They are able to understand that everything changes in the course of time that management techniques must be improved continuously while new information appears.
3. They will improve the system of different methods to cope with the variety of problematic situations rather than meticulously workout the only acceptable model for their work.

One of our aims in professionalism studies were to understand is it possible to use not standard methods to characterize professionalism of personality. To reach that we have used one of astrolinguistic method to follow which astrology map of every people of 20 actuaries was prepared. The program and methodic of creating astrology map is created in [6,9]. We checked successful activity by two parameter groups from four: A – methodical job, planning, discipline, factors limited risk and C – intellectual potential, not standard way of thinking, possibility of quick reaction. Maximum possible number of points received by everybody in each group is 15. Results of our actuaries were following: in group A average number of received points were 7.7 with standard deviation 2.4 but in group C average number of points were 7.2 with standard deviation 2. There were 5 results in group A over 9 and to know these people we can say that their characteristics fully corresponds to characteristics of group A. Two people received number of points less than 5 and once more to know these people that fully corresponds to their characteristics. The similar situation with correspondence is in the group C. Only in that case only two people have number of point over 9 and two less than 5.

But we wish once more to repeat that the authors by no means consider the application of astrolinguistic techniques the only reasonable one and giving highly precise results.

Table 1 Comparison of two model of professionalism worked out by Stan Lester (1994)[4]

Parameters of comparison	Model A	Model B
character	technical, logical; problem-solving	creative, interpretive; design
capability	solvable, convergent problems	congruent futures; 'messes,' problematic situations, divergent problems
approach	solving problems; applying knowledge competently and rationally	understanding problematic situations and resolving conflicts of value; framing and creating desired outcomes
criteria	logic, efficiency, planned outcomes; cause-effect, proof	values, ethics, congruence of both methods and outcomes; systemic interrelationships, theory, faith
epistemology	objectivism: knowledge is stable and general; precedes and guides action	constructivism: knowledge is transient, situational, personal and unique; both informs action and is generated by it action and is generated by it
validation	by reference to others expectations: standards, accepted wisdom, established discourse; truth	by questioning fitness for purpose, fitness of purpose and systemic validity; 'value'
thinking	primarily deductive / analytical; skeptical of intuition	inductive, deductive and abductive; uses intelligent intuition
profession	a bounded, externally-defined role, characterised by norms, values and a knowledge-base common to the profession	a portfolio of learningful activity individual to the practitioner, integrated by personal identity, perspectives, values and capabilities
professionalism	objectivity, rules, codes of practice	exploration of own and others values, personal ethics, mutual enquiry, shared expectations
professional standards	defined by the employer, professional body or other external agency according to its norms and values	negotiated by the participants and other stakeholders in the practice situation in accordance with their values, beliefs and desired outcomes
professional development	initial development concerned with acquiring knowledge, developing competence and enculturation into the profession's value system; continuing development concerned with maintaining competence and updating knowledge	ongoing learning and practice through reflective practice, critical enquiry and creative synthesis and action; continual questioning and refinement of personal knowledge, understanding, practice, values and beliefs

## 4 RESULTS

Authors have worked out professionalism components used by professional organizations of Latvia to estimate professionalism of its members. Additionally authors have investigated the models what follows development of professionalism of Latvian Actuaries and have tried to use astrolinguistic techniques to create quantitative analysis of professionalism.

## 5 CONCLUSIONS

It would be good if astrolinguistic techniques make it possible to use quantitative methods in analysis of professionalism. But there are several problems for wider using of that method: 1) there no enough statistical information how planets influence different characteristics of people, 2) no enough information which kind of characteristics is needed to people to be an actuary.

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