



The Long View

Insured Retirement Institute (IRI) is pleased to celebrate exemplary leadership within the insured retirement industry. Our monthly article series, *The Long View*, spotlights individuals who have proven adept at seeing change on the horizon and adapting accordingly. Through one-on-one interviews, we aim to learn about each highlighted leader's career, successes, failures, lessons learned, and proudest moments. [Click here](#) to view past articles.

Leadership, by definition, puts people in positions of authority over others. But servant leaders change the game. They invert the norm, prioritizing the growth and support of those they manage. Chairman, President, and CEO of Principal® Financial Group Dan Houston embodies the servant leadership approach and uses those principles to sustain the company's position as a global investment management leader. Mr. Houston joined Principal in 1984, working first as a sales representative. Thirty-seven years later, he is proud to be responsible for overall management of the company.



IRI interviewed Mr. Houston to kick off 2021 and spoke to him about his history with Principal, how he succeeds outside his comfort zone, and how the principles of servant leadership sustained him through the past year of uncertainty.



You started at Principal 37 years ago in 1984. Tell us about the first position you held at the company. What lessons did that job teach you that continue to apply to your work today?



I joined the company as a retirement sales representative in Dallas, Texas. It was a time of growth and diversification for the company. The year after I joined, we changed our name from The Bankers Life, as we'd been known since 1879, to Principal Financial Group to better reflect the work we were doing. Looking back, professional sales taught me many lessons that continue to serve me well, including:

- **The importance of doing business the right way.** In Dallas, my supervisor impressed upon me the importance of giving back to the community. It's a big part of who we are as a company. Principal is based in Des Moines, Iowa, and even today, we have that Midwest mentality of doing right by people.
- **How to truly understand your customer.** In this industry, you're not just selling a product. You're selling the opportunity of financial security for the long term, and that means understanding what's truly important to your customers—their goals for their business, their employees, their career, their families.
- **Why you have to see the bigger picture.** You're in a better position to add value for customers and the organization when

you can see beyond your day-to-day work to gain a detailed sense of the strategy and vision for the company.

- **The value of strong relationships.** Having the opportunity to work throughout Ft. Worth and west Texas gave me a front-row seat in working with advisors, small to medium-sized businesses, and large institutions—through which I learned lessons I've never forgotten.

While in sales, I also developed skills like verbal and written communication, interpersonal skills, and problem-solving. Having a strong network of people is also key. You need people around you that if you don't know the answer, you can ask them to get results. You learn so much from sales, which is one reason my wife Joanie and I helped to launch the Houston Professional Sales Suite at our alma mater, Iowa State University, late last year.

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Q:

I know servant leadership is important to you. How do you define servant leadership, and how have you applied it during a time of crisis when conventional wisdom might suggest a more authoritarian approach is needed to act swiftly and decisively to institute wholesale change?

A:

To me, servant leadership is about giving people the support, direction, and resources they need to be successful. It's about doing what's best for the team and organization in the short and long term. When you think about leadership that way, it encourages you to put your ego aside, to really listen to others, to understand their challenges and their vision. And it forces you to be strategic.

Servant leadership is arguably more important during times of crisis. Sometimes you do need to act quickly and create significant change, but you can't just snap your fingers and make it happen. You need the whole organization to move toward a common goal. Your job as a leader is to make sure everyone has the information, inspiration, technology, financial and human resources, and anything else they need to get it done.

If your focus all along has been on giving your team the resources and strategic direction they need, you've set them up for success during times of uncertainty and volatility.

Q:

2020 was a tough year for our industry, our nation, and our world. What have been the driving forces that help you “keep going” when you encounter the hard years of life?

A:

This past year brought a lot of uncertainty, complexity, and frankly, a lot of noise. It can be challenging to stay focused, chart the correct course of action, or sometimes even separate fact from fiction. The best way to lead through difficult times is to stay focused on what matters most, and to me that's our company's purpose, legacy, core values, and strategic vision.

To give one example, there were so many unknowns when the pandemic began to spread. We didn't know how long it would last or how it would impact various areas of our business. But we did know we

were in a robust financial situation with a diversified business model and the right people, processes, and technology in place to get us through any number of scenarios. And we knew that we would stay true to who we are as a company, no matter the circumstances. We've shown remarkable agility, resilience, and integrity by keeping our eye on those guideposts.

Leading into the U.S. presidential election, we didn't know who the next president would be, their priorities or the makeup of Congress, or how those variables would influence the future of our company and our industry. But when you look at it, we have proactively worked with elected officials from every major party in the U.S. over our 140-year history. As a global company, we also work closely with the governments of every nation in which we operate. Our enterprise strategy and core values remain the same, and we'll continue to help influence key issues that affect our business and customers—such as trade, tax, economic recovery, financial security, and social equality.



What is something you are called on to do regularly that falls outside your comfort zone, and how do you gear up to excel despite not necessarily being in your element?



Being comfortable at the helm of a global company is all about the power of the network. We're in a highly regulated industry, serving customers in more than 80 nations and territories, in an environment where technology is evolving by the minute, with products in retirement and long-term savings, insurance, and asset management. A person could work at Principal for 370 years, much less 37, and still be learning.

You have to accept that you can't know everything, you can't do everything yourself, and surround yourself with a team of smart and trustworthy people. I'm fortunate to work with some truly incredible leaders, and I rely heavily on our Executive Management Group to make critical decisions for the organization both in the good times and during times of crisis. Every member of the executive team plays a critical role in the development and execution of strategy, and every member has *their own team* that they rely on. We're all here for each other, and frankly, nobody would get very far on their own.



Striving for constant improvement is a hallmark trait of successful leaders. What is a professional area of development that you're working on? What resources do you turn to again and again to help you grow?



I'm always trying to develop as a more inclusive servant leader. Collaboration is key to our continued success, and I strongly believe we are more innovative as individuals and as an organization when we expose ourselves to diverse perspectives, skills, and beliefs. Fortunately, Principal has always been committed to diversity, and we have a strong track record—especially when it comes to gender diversity in senior leadership. But we all have blind spots individually and areas where we can improve as an organization. Our executive and senior leadership teams are full of people with diverse experiences and perspectives, and they serve as invaluable resources. They're the ones to whom I turn again and again.

I also believe in the power of coalitions to create change: this year, I joined CEO Action for Diversity & Inclusion, a CEO-driven commitment to advance diversity and inclusion in the workplace, and as chair of the American Council of Life Insurers, I supported the development of an Economic Empowerment and Racial Equality initiative. Meanwhile, our Global Inclusion Team has been doing a wonderful job with mentorship programming, unconscious bias training, and other formal and informal resources to help our entire organization be more broadly inclusive and better understand our diverse global customer base.

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