MANAGEMENT AND PERSONAL DEVELOPMENT SECTION

"A KNOWLEDGE COMMUNITY FOR THE SOCIETY OF ACTUARIES"

October 2006

Issue No. 24

The Stepping Stone

Published in Schaumburg, Ill.

by the Society of Actuaries

contents

The Stepping Stone
Issue Number 24 • October 2006
Published quarterly by the Management & Personal Development Section of the Society of Actuaries

475 N. Martingale Road, Suite 600
Schaumburg, IL 60173
phone: 847.706.3500
fax: 847.706.3599

World Wide Web: *www.soa.org*

This newsletter is free to section members. A subscription is $20.00 for nonmembers.

David C. Miller, FSA, MSCC
The Stepping Stone Editor
Miller & Associates Business Growth Strategies
6 Goldenrod Court
Newtown, PA 18940
phone: 215.968.2483
fax: 215.968.4319
e-mail: *Dave@BusinessGrowthNow.com*

From the Editor

The Paradox of Effective Influence

by David C. Miller

David C. Miller, FSA, MSCC, is a professional business coach who works with actuaries, consultants and sales professionals who are struggling to attract enough clients. He conducts seminars and one-on-one coaching in business development, influence, leadership, team building and communication effectiveness.

He can be reached at *dave@BusinessGrowthNow.com* or 215.968.2483. For tips, tools and strategies about how to grow your business, go to *www.BusinessGrowthNow.com*.

Do you have trouble when it comes to persuading senior management on a strategic issue or some other important matter? Does your throat tighten up when you're in the process of making your case to your superiors or peers? Do you get butterflies when you're about to articulate your message? Do you dread having to make a strong business case (especially if it goes against the grain of the status quo)?

It's a common "disease" for executives to experience fear and reluctance when selling their point of view. Just like any entrepreneur or business owner, as a professional employed in a corporation, **you must sell yourself on daily basis in some form or fashion.**

The cure for this disease comes down to **two non-negotiable requirements for being influential and persuasive.** These two things almost seem to contradict each other, but my experience is that if either one is absent, you're missing out on a lot of success that you deserve!

Note: In the balance of this article, ***"prospect"*** *means "anyone you're trying to influence" (customer, management, subordinates, etc).* ***"Product"*** *means anything you're trying to sell, such as a service, idea, solution, strategy or a real product.*

Requirement #1: Absolute Conviction about the Value You're Providing

You must be absolutely convinced that what you're offering to your prospect is gold! This sounds so obvious and simplistic, yet it's a common ailment for professionals to be filled with doubt about themselves and what they're selling. That feeling of doubt is transferred to the prospect—if you're not convinced this is great, why should your prospect?

"Absolute conviction" does not mean that you're "drinking the Kool-Aid" and deluding yourself into thinking that **everyone** needs what you're selling. **It does mean** that you're 100 percent certain that you have something of tremendous value **for the right person or organization.** In other words, you have something that genuinely meets a clearly defined need and you're not apologetic about making a case for this solution if it will benefit your organization.

Let's look at an example of someone who depends on selling services to make a living. A consultant named Julie was having a lot of trouble when it came to inviting prospects to move ahead with the sale. When we examined her underlying beliefs, we discovered that Julie had reservations that what she was offering had real value.

Maybe you can identify with Julie—what do you do when you're in this place? Take inventory. **Honestly assess the value your product brings to the prospect.** Write down a comprehensive list. Because we're so close to what we offer, we tend to take it for granted. Get reacquainted with why you started selling this in the first place, and build conviction.

If you have a lot of trouble zeroing in on this, then maybe it's time to figure out how you can significantly increase the value of what you offer. Once you can genuinely get to the place where you're **absolutely convinced that you're bring solutions that offer far more value than what you're being paid** (i.e., that your prospect will receive a substantial return on investment), you will convey your message in a way that your prospect will feel convinced too.

Requirement #2: Complete Detachment from The Results

You must come from a place where you're not personally invested in the outcome. You've completely explored your prospect's needs and presented your solution. The rest of the "result" rests in their hands. **You must come from a place where you're okay with whatever decision they make.**

This sounds contradictory to Requirement #1, in that if I believe wholeheartedly that I have a great solution for the prospect, how can I be detached from the result?

The key here is to remember to "keep it about them." For example, Julie observed that when it came time to making her invitation, **she felt like she was asking the prospect to do her a favor!** She came from a place where she really needed the sale. It became more about her than the prospect. As a result, she found that she was actually repelling sales on a subconscious level!

The ironic thing is that the more detached you are about convincing others, the more convincing you'll be.

The beauty of incorporating both of these requirements into your psyche is that you'll find that **you're having more fun** selling your ideas and bringing value to your organization. What a concept! And in the course of having more fun, you will experience more success! ❑

Note: This is my last issue as editor of The Stepping Stone*. I will be handing the reigns over to the very capable and talented John Hadley. It has been a privilege serving you as editor. Although my role is changing, I will continue to contribute articles to this great newsletter.*

All the best,

David C. Miller, FSA

Developing Management and Business Skills

by Sudha Shenoy

Sudha Shenoy, FSA, MAAA, is a consulting actuary in North Haven, Conn. She can be reached at *sudha.shenoy@anthem.com*.

On Jan. 27, 2006, the other section council members met in Chicago to develop our strategic plan for this year. We also revisited our mission statement and revised it to read: "The mission of the Management and Personal Development Section shall be to plan, implement and actively promote management and business skill development for members, using a variety of channels." We decided that our section should serve all members of the SOA, and that we should strive to meet the varied needs our members may have at different points in their career paths.

I am proud to share with you that our section has made great strides in this direction. This year at the SOA Annual Meeting (October 15-18), our offerings will include topics addressing several different skill sets. We will be holding a session covering book reviews, a networking reception including techniques on how to craft an elevator speech, programs that will improve managerial and coaching skills, and sessions on dressing and speaking for success, to name a few. We understand that time will be at a premium for all attendees, and we have worked tirelessly to provide programs especially tailored for actuaries. We sincerely hope that you, our members, will make every effort to attend as many of these sessions as possible and that you will then please take the time to provide us with your feedback and valuable insights.

I feel that our section is now poised to take off and play a key role in helping our members develop their leadership and business skills. This year, we have been working on designing and developing a communications course that will be a part of the future FAC (Fellowship Admissions Course). We are now looking at opportunities to increase our collaboration with groups such as Toastmasters, other sections of the SOA as well as the Business Skills Task Force and the MRSAT (Membership Relevance Strategic Action Team). We hope to be able to develop webcasts and other teaching sessions that can be easily replicated at local actuarial clubs. Please be in touch if you would like to assist us in any of these initiatives or if you have ideas that you wish to share.

I would like to thank all of our section council members for their outstanding contributions this year. I'd like to thank Jennifer Gillespie, past chair, for her leadership and significant contributions to our section activities. Vince Granieri has contributed to our sessions and worked diligently on the FAC communications course. Donna Weninger, our vice chair, has provided key support in putting together a dazzling array of annual meeting sessions this year. Gail Hall, our treasurer, has been an important player on the Business Skills Task force. Dave Miller, a friend of our council, has continued to support our efforts by doing a splendid job of editing our newsletter, *The Stepping Stone*. John Hadley has made notable contributions both to our newsletter and to our featured sessions, especially the networking session to be held at the Annual Meeting. Faisal Siddiqi has been of great assistance to us in our book review sessions and Web site development efforts. I would like to give special thanks to Meg Weber, who has been an invaluable help to the section this year. In addition, I would like to extend a warm welcome to the new members of our section: Scott Haglund, Bela Patel-Fernandez, Dave Walczak and Steven Gaspar.

As I complete my two-year term as section council member, I want to seize this opportunity to thank all of my team members for their help and support. I want to thank you all for giving me the opportunity to serve you and help shape the future direction of our section.

I feel that our section is now poised to take off and play a key role in helping our members develop their leadership and business skills.

(continued on page 5)

Ken Lay's Legacy

by Maureen Wild

Kenneth Lay died a little over a month ago. I don't mean to beat a dead horse, no pun intended, but I'd like to ask a question; Is it ever appropriate to celebrate someone's death? Well, yeah! Mourn Hitler? Grieve Dahmer? Not likely.

But what about a fellow like Kenneth Lay? He destroyed people's lives as surely as these villains, but, as human beings, is it appropriate to delight in his untimely death?

There was a time when Kenneth Lay was a playful kid, an earnest college student, a young dad and a hard working businessman. There was a season in his life when he was hailed as a visionary and ambitious types were eager to ride his coat tails. For a while, lots of people prospered because of Lay's competence, eloquence and acumen. Then, he fell from grace. The murky, scheming and self-serving side of Lay was revealed. And lots of innocent people suffered as a consequence. Lots.

So maybe we can't truly mourn a man like Lay, but what we can mourn is the death of his character. Somewhere between his ascent to shimmering genius and descent to scandalous fraud, Ken Lay lost his moral compass. And that is the true casualty we should lament.

Michael Josephson, founder of The Josephson Institute of Ethics, warns us to escape the trap of our "last worst act." The ethicist proposes that all of us tend to judge ourselves by our most noble intentions and deeds but, ultimately, we are judged by others according to "our last worst act." Think of OJ Simpson, Richard Nixon or, more recently, Martha Stewart—does the first thing that crosses your mind have anything at all to do with football, trade with China or lovely dinner parties? More likely, it's Brentwood, Watergate and fraud.

When we think of captains of industry we imagine attributes like competence, intellect, polish, style and the ability to communicate, to motivate and to lead. Kenneth Lay's vast financial empire and his status as an innovator and visionary weren't worth a brass farthing at the end of his life. Of all the esteemed traits of leadership, the most significant, good character was absent. Sadly, because Lay's integrity was missing, few people will be missing Kenneth Lay. ❑

Maureen Wild is the president of High Road Solutions. She is a certified ethics and business etiquette trainer with credentials from The Josephson Institute of Ethics and The Protocol School of Washington. She can be reached at (908) 625-8563 or via the Web at *www.highroadsolutions.com*. She also authors *boorish behaviors.blogspot.com*.

Chairperson's Corner… • from page 4

I will leave you with a few parting thoughts. I have gained a lot of experience through volunteering on the section council and other SOA activities. I have mastered several new skills, but, more importantly, I have made many new friends that I would have otherwise not had the chance to meet. I have learned to take responsibility for my own career development and seize opportunities to develop myself and increase my sphere of influence. If our members can all increase their spheres of influence and make an impact at future business meetings, we, as a group, can finally reach the tipping point at which we will have the opportunity to change the actuarial image for the better and revitalize the "actuary brand." ❑

Book Review

The Dilbert Principle: A Cubicle's-Eye View of Bosses, Meetings, Management Fads and Other Workplace Afflictions by Scott Adams

by Kristi Bohn

Do you miss Dilbert? I do. While at the library searching for self-improvement books, I saw an audio version of *The Dilbert Principle* and could not resist. It may be too cynical for some of you aimed at lofty management goals, but a good dose of workplace attitudes is wise for anyone in management.

Scott Adams admits in his book how easy it was for him to write it. People liked the Dilbert comic strip so much that they supplied him with most of the material from real office situations. All he had to do was organize this feedback and set the stage. The result—laugh-out-loud funny.

He adds witty insights that you will never find in one of those real management books, but can appreciate because you likely have witnessed the promotional results among your peers. For example, he recommends that women should swear like a sailor, while men should refrain from swearing at all costs. He recommends that you always carry a document in your hand to look very busy, even if it is just a trip to the bathroom. He thanks the invention of the Internet for making thousands look busier, even though they may be actually doing things like shopping for their family or writing Dilbert book reviews. He swings punches at quality initiatives (ISO 9000, Six Sigma, etc.), the way management positively spins widespread layoffs and management's love of pricey consultants (the message: everyone at our company is too incompetent to tackle this issue).

His last chapter is dedicated to recommendations for executives and managers. There are some thoughtful points, such as holding meetings in the afternoon instead of the morning, to coincide with the time people are more and less productive, respectively.

All in all, I recommend this book or audiotape to anyone. At the heart of this book is a plea for us to approach relationships at the workplace with empathy, honesty and care.

The Dilbert Principle is that deep down, people are idiots. That includes you. ❑

Kristi M. Bohn, FSA, MAAA, EA, is director of group aactuarial with Blue Cross/Blue Shield of Minnesota in Eagan, Minn.
She can be reached at *kristimbohn@yahoo.com*.

The Management Experience Gap

by Jennifer Gillespie

Have you noticed that most management job descriptions list management experience in the requirements section? As a matter of fact, I have been told by a human resources professional that her company policy is to require, not just desire, prior experience for any management level hires. Hearing that caused me to wonder, how does somebody ever get the chance to develop such experience if they can't get their foot on to the first rung of the ladder?

One of the frequently overlooked ways to practice managing and leading is to step outside the walls of corporate America and volunteer time and energy in the community. There are so many organizations in need of assistance, just by getting involved and being willing you may find yourself in a top spot. Take a look around and you will notice youth sports events needing organizers; library fundraisers without an overseer; local political candidates needing to get the word out; charitable fund raising events without enough volunteers to spearhead all the required subteams; or international exchange programs begging for coordinators, for example. Those of you with more vision may identify needs not currently being addressed. You could build programs from the ground up to provide tutoring to students with a language barrier; teaching seniors how to use the Internet; or getting neighbors organized to petition the city for a dog park, for instance. Coordinating the work of other volunteers can be a great training ground for managing a department. There is a way to have fun, feel good about what you are accomplishing, and prepare your resume, all at the same time!

Another way to get management experience within the walls of corporate America is to be willing to step in to a project or to work with a client when your boss or the company needs help. Perhaps a co-worker has recently left the company or is on a temporary leave. There are skills involved in organizing and running a project team that you can talk about in an interview for a management position. Furthermore, if you have a good reputation for stepping up to do what is needed, you might have a chance to fill in for a manager on a temporary basis. Even you if don't get a chance to be considered for that particular job, you will have some experience to talk about at your next interview.

Actuaries are typically busy people. We are busy at work, busy with studying, busy with family and busy with other activities. It can feel overwhelming to think about voluntarily adding another activity to the plate, and it is tempting to wait for a better time, when things have calmed down. That "better" time might not come soon. If you want to have a management-level position, you have to take the initiative to get yourself ready. ❑

Jennifer L. Gillespie, FSA, MAAA, is vice president and actuary of Underwriting with Blue Cross/Blue Shield of Minnesota. She can be reached at *jennifer_gillespie@bluecrossmn.com.*

Are Cover Letters A Waste of Time?

by John West Hadley

I recently joined a friend who for many years ran a successful staffing firm, to do a presentation at a professional services group for several dozen unemployed people. My friend was covering résumés, and I was to tackle cover letters. As he finished, he said that in his experience, cover letters weren't worth much, but that if you were going to write one, I would explain how to put together a good one.

This is a common misconception—that cover letters aren't worth the time spent to prepare them. After all, who bothers to read them? Even the term *"cover letter"* makes it sound like something superfluous, a wrapper to be torn off to get at what's inside. And if you approach your cover letters that way, then yes, they **ARE** a waste of time!

On the other hand, if you approach it as a Marketing Letter, it can be a powerful weapon in your arsenal. Sure, not everyone will bother to read a cover letter, but **I can guarantee they notice whether or not there is one included with your résumé or brochure!** And since the cover letter will become a part of your file, often shared with all of the people with whom you will meet, a powerfully written letter will have much more impact than it might appear on the surface.

Think of the marketing pieces you've received in the mail. What's your opinion of a brochure that arrives with no letter, just stuck in an envelope by itself? Doesn't it look like a mass mailing on which the sender has expended no effort? Unless the cover of the brochure jumps out and gets my attention, it's going straight into the circular file.

What about a brochure that arrives with a very generic or poorly written cover letter? That's almost worse, isn't it? Now even if the brochure is well-done, I'm likely to conclude that it was prepared professionally, and the letter is the true example of the (poor) quality of the sender's work. Now I'm wondering if he / she is capable of the level of quality service I seek.

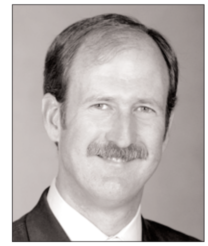
Now what is your reaction if the brochure is accompanied by a compelling, persuasive, personalized letter? Aren't you much more likely to be interested in the sender's services? Aren't you starting to draw the conclusion that the sender is a true professional, who really cares about doing business with you? Someone who actually put some effort into this mailing?

And think about what other signals are being sent to a prospective employer or potential client via a high quality letter. A carefully crafted, persuasive letter suggests someone who pays real attention to their work. It gives some indication of the potential quality of the work product they are capable of producing.

One final scenario: What if all that is in the envelope is that compelling, persuasive, personalized letter and no brochure at all? When you open the envelope and see a brochure, you immediately think the purpose is to sell you something. Without the brochure, aren't you that much more likely to at least scan the letter? If I'm a hiring manager, and a letter arrives with a résumé attached, it's very likely that I (or my administrative assistant, who has instructions to screen out résumés), will just mark it "Human Resources" and forward it on.

Obviously, if you are writing to apply for a specific job, you have no choice but to include your résumé to be considered. In other situations, I believe that the strongest possible approach is a powerful letter with no résumé attached.

So, from now on don't waste your time writing cover letters, invest it in preparing persuasive marketing letters! ❑



John Hadley, FSA, is principal of John Hadley Associates. He can be reached at *John@JHA Careers.com*. To subscribe to his free *Career Tips* newsletter, visit his Web site at *www.jhacareers.com*.

A carefully crafted, persuasive letter suggests someone who pays real attention to their work.

You Haven't Changed a Bit!

by Steve Gaspar

A few years ago I moved to the Pacific Northwest. As I hail from Michigan, I did not know much about the Seattle area—other than that it rains there all the time. That's it. That's all I knew about the place. And on my first visit to the Puget Sound area that's exactly what I found—rain. It wasn't the rain I had seen in the Midwest though, which comes in two types: (1) twisting monsters that chase sensible people into basements, and (2) relentless onslaughts that cause floods. This Seattle rain resembled a misting, something just heavier than high humidity. That first day of rain reinforced the image that I had developed of the area: wet place. My initial trip there was to consider that locale for a possible relocation. After looking at several cities across the nation I picked Seattle, in spite of the rain.

The following July I arrived in Washington with my family, and we were greeted by a blue bird sunny day. This was followed by another blue bird sunny day. This went on and on, well into the fall and early winter. I thought we had moved to the wrong place because the weather did not fit my understanding of the Northwest. "I thought it rains here all the time?" I asked my colleagues. "Oh it does, it's just dry this year. . . and don't tell anyone from California or more of them will move up here" they told me.

It did eventually rain, but on the whole my experience in the Pacific Northwest did not at all match my expectations. The image I had developed in my mind from what information, or disinformation, I had accumulated was a "wet" image. This place was dry. Such a conflict between reality and a previously held mental image happens with people too, and it is both normal and dangerous. It is normal for people to form quick first impressions of others. I can think of at least two reasons for why such behavior is normal. First, there is likely some survival mechanism burned deeply into our DNA. Our ancestors must have had to discern friend from foe in short order or they did not survive. The second reason has to do with the mind's capacity to store information. Research conducted by British anthropologist Robin Dunbar refers to this issue. This research indicates that there exists an upper limit to the number of human-to-human relationships that any one of us can maintain at one time. This upper limit is thought to be around 150 for most people. Apparently it has to do with the size of our neocortex. Due to the physical limitations of our brains we can track and mentally maintain 150 evolving relationships—friends, family, coworkers, everybody. Unfortunately we can not simply buy more hard drive space. This upper limit of 150 refers not only to our relationships with others, but to the relationships among those others as well. Given the large number of people with whom most of us interact, it follows that we must compensate somehow for that lack of storage capacity. We do so, at best, by holding tight to first impressions, and at worst by stereotyping.

(continued on page 10)

You haven't changed a bit! • from page 9

None of this is to say that first impressions are not important—they are important, both to the one forming the impression and to the one upon which that image is being formed. Holding tightly to initial impressions can be dangerous though, particularly for organizational leaders. Leaders could adopt a "first impression is reality" approach and be successful. Certainly many have. But to do so one must be both a greatly skilled snap-judger, and have the dumb luck of residing in a talent rich environment. Given that such a combination is unlikely, seeing the potential in people as well as their currently developed skills is a better strategy for leaders.

The other day I was surfing the net and one of those advertisements stating "what year did you graduate?" popped up in the margin of the screen. I paused to look at the funny black and white photographs of these people from another time. This got me thinking of high school friends of mine and how different many of them were in high school than when I last saw them at a reunion. Reunions are good reminders that people are capable of great change and development. Roughly 25 percent of the people I saw at my last reunion were utterly unchanged—simply older duplicates of their prior selves. About half were had changed somewhat, but not fundamentally. The people in the last quartile, however, were completely changed. In speaking with these people, some of whom I literally did not recognize, I heard story after story of how they had decided to develop themselves after high school. They chose to be something they had not been previously and then they became that something. One person worked in air combat over the Persian Gulf. Another earned a Ph.D. in psychology, and yet another arrived at the reunion in a very large limousine having transformed herself into an extremely successful lawyer. Although these people had hugely different professions, they shared one common attribute. Each had transformed him/herself into a different person. They had indeed fundamentally changed from the people they were in high school. I am familiar with the adage "you can't change who you are," but these people were very different. And the difference was due to their choice to develop themselves.

There are two lessons here that are applicable to the two segments of our section's title "Management and Personal Development". For 'management' (I prefer the term 'leadership') the lesson is clear. Leaders would do well to (1) acknowledge that development is indeed possible, and (2) recognize that our natural tendency is to assume that people we meet do not fundamentally change from the time we first meet them—that is, we form a first impression and we move on. We rarely update that first impression even when years have passed. Ironically most of us do not apply that same belief to ourselves, i.e., we believe we learn and evolve continuously. First impressions are good indicators, but biases based on dated prior observations can be seriously inaccurate.

For 'personal development' the take away is equally obvious. We can transform ourselves. The caution here is that time alone will not cause transformation—time simply makes us old. Transformative change requires self-awareness, dedication, effort and support. Look at your development plan. Is it real? Is it targeted at the right things? Are you doing any specific activities to develop the areas of yourself that you truly believe you need to change? Are you making progress? How do you know? One more word of caution on the personal development side: higher order leadership skills are more difficult to learn, and they take longer to

First impressions are good indicators, but biases based on dated prior observations can be seriously inaccurate.

You haven't changed a bit! • from page 10

master. This fact can be vexing for actuaries. Very smart people are an overrepresented segment within our group. Very smart people often think that any mental skill can be learned quickly. Unfortunately this is not the case with leadership skills. Further, none of us will develop such skills in any length of time without a plan, without practice and without honest feedback from others.

So back to the Northwest. The initial image of Seattle which I had painted for my mind's eye was one of rain. But long after the mental paint had dried on that image I still believed Seattle to be a constantly wet place. That image was based on the limited information I had available—hearsay before I visited, and then a first impression based on one visit. Today I think that image of Seattle as a constantly wet place is inaccurate. As I write this article I am hiding from the hot summer sun inside my Pacific Northwest home. You need not take my word for it though—next year's Society of Actuaries health and pension meeting is in Seattle in June. But bring your umbrella. I hear it rains there all the time. ❑

Steve Gaspar, FSA, MAAA, is vice president and chief actuarial officer at The Regence Group in Portland, Ore. He may be reached at steven.gaspar@regence.com.

Office Politics: A Little Savvy Goes A Long Way

by Mark E. Green

Political savvy is a vital competence for any professional, but it's not taught in leadership courses or at school. Tales of political sabotage, power plays and turf wars are part of any organization's history. Nonetheless, political competence is the one skill everyone wishes to have more of—but no one talks about it.

In fact, when you ask people how they achieve results within their organizations, they cite market analysis, strategic planning and brainstorming. They never mention politics.

Until recently, few books explained how to use political competence to build one's career, improve a team's results or boost the company's bottom line. Samuel B. Bacharach, director of Cornell University's Institute for Workplace Studies, recently published *Get Them on Your Side*. Rick Brandon and Marty Seldman have written *Survival of the Savvy: High-Integrity Political Tactics for Career and Company Success*. Art Kleiner weighs in with *Who Really Matters: The Core Group Theory of Power, Privilege, and Success*. These books shed light on this crucial competency, which every professional needs to master.

Political competence is the *"ability to understand what you can and cannot control, when to take action, who is going to resist your agenda, and whom you need on your side. It's about knowing how to map the political terrain and get others on your side, as well as lead coalitions,"* according to Prof. Bacharach.

Many individuals have good ideas that, if implemented, could yield positive results for their companies. Sometimes these ideas fall flat because those who propose them cannot gain support from key people. They are unsuccessful in building a coalition to bring an idea into practical use.

A corporate version of survival of the fittest exists, especially in tough, competitive economic times. No one wants to admit that destructive politics and gamesmanship go on, but intense pressure to succeed drives some executives to use their political savvy to win by any means.

Defining Political Savvy

It's naive to suggest that all office politics are destructive and unethical. If you define politics in such a narrow and negative way, you overlook the value of political awareness and skill. If political astuteness is combined with the right values, it can be an advantage for you, your team and your organization.

"Organizational politics are informal, unofficial and sometimes behind-the-scenes efforts to sell ideas, influence an organization, increase power or achieve other targeted objectives," according to Brandon and Seldman in *Survival of the Savvy*.

In this definition, there is nothing either positive or negative about politics. The term is value-free. Whether organizational politics are destructive or constructive is determined by two criteria:

1. Whether the targeted objectives reflect the company's interests or merely one's self-interest

(continued on page 13)

Mark E. Green is the founder and president of Performance Dynamics Group, LLC in Green Brook, N.J. He can be reached at *mark.green@performance-dynamics.net*.

No one wants to admit that destructive politics and gamemanship go on, but intense pressure to succeed drives some executives to use their political savvy to win by any means.

Office Politics... • from page 12

2. Whether the *influence efforts* used to achieve these objectives have integrity

Political savvy and skill can help ethical, competent leaders sell their ideas and influence others to benefit the organization.

Ignore at Your Own Risk

There are several important reasons to acquire political savvy:

1. Ignoring its existence is akin to throwing the baby out with the bathwater. When political astuteness is combined with ethics and integrity, it can produce positive results for you, your team and your organization.

2. By avoiding or denying its existence, you underestimate how political behavior can destroy careers, a company's reputation and overall performance.

3. If you define politics in only negative terms, you are naively under-political, which leaves you vulnerable to overly political, self-serving individuals.

You must develop political skills to survive and thrive in any organization. Overly political people can—and do—earn positions of power, and they can damage competent, loyal individuals who don't play their game. You need high-integrity political tactics to play a better game.

When people get burned by overly political agendas, they may quit their jobs, only to find even more political game-playing at the next company they join. Worse, if they choose to stay in a politically charged workplace, they may allow their intimidation or resentment to drain their energy and compromise their performance. When this happens, they become disengaged.

It's far better to recognize that organizational politics exist in both constructive and destructive forms. There's simply no escaping it. That's why it's essential to learn how to use one's political savvy with integrity. Nonmanipulative tactics can help you harness the power of politics in a way that brings results. Political astuteness can be a character virtue and a company asset—if you learn to use it ethically.

Three Phases of Political Competence

Political competence is a three-phase process. To bring people to your side, you must follow a systematic sequence. Otherwise, you may spend too much time talking with people who don't need to be convinced of your idea's merits. You may also fail to identify your chief opponents before they seize the opportunity to derail your efforts.

(continued on page 14)

Office Politics... • from page 13

1. Map Your Political Terrain

First, identify all stakeholders—anyone who has an interest in, or who would be affected by, your idea—and how they will react. Some resistance is inevitable. You must anticipate others' reactions, identify allies and resisters, analyze their goals and understand their agendas.

When you face objections, don't go to individuals' bosses or peers to undercut their arguments. Instead, ask them questions to determine their goals. A stakeholder may share your goal, but not your implementation approach; disagree with your goal, but share your approach to change; share neither; or share both. You can identify potential allies and resisters with direct questioning.

2. Get Others on Your Side

Build your coalition—a politically mobilized group committed to implementing your idea because doing so will generate valued benefits.

Creating coalitions is the most critical step in exercising your political competence. How do you win support? You need to be credible. You communicate credibility by letting potential allies and resisters know about your expertise, demonstrating personal integrity and showing you have access to important people and information.

Through informal conversations, meetings and office drop-ins, you need to explain your position, keeping in mind four different motivational styles:

Rational: Use statistics and numbers to convince data-driven people how your proposal will save money, time or resources.

Mimicking: Cite successful companies that have benefited from similar ideas when dealing with people who are interested in best practices.

Regulation: For those concerned about rules and compliance, show how your idea will help in these areas.

Expectations: For those driven by a need to meet or exceed expectations, explain how your proposal will please customers, shareholders and the community.

3. Make Things Happen

You must win others' buy-in by making it clear there's a payoff for supporting your effort and drawbacks for not joining your coalition. Show how implementing your idea will ease their workload, increase their visibility within the organization or help them cut costs in their unit.

Once you've persuaded people to join your coalition, you've established a base that will legitimize your idea. Coalition members will then use their networks to evangelize for you.

As the coalition grows, don't lose sight of the need for active leadership to keep members focused and sustain momentum. Watch for complacency and manage conflicts and disagreements over goals or processes. These are inevitable and must be resolved.

Mastering only certain parts of the three identified phases will not yield success. The following two types of people sabotage themselves by failing to complete all three of the phases when attempting to generate and implement change.

(continued on page 15)

Office Politics... • from page 14

The Political Analyst

Don't be fooled into thinking that astute political analysts have high political competency. Analysts are skilled at anticipating others' reactions and understanding their agendas, but they can't get people to join their side. They're incapable of sustaining the dialogue and interactions necessary to build coalitions. They may try to make things happen, but mapping the terrain is only the first step—and it's never enough.

The Consensus Builder

Consensus builders do their political mapping, understand the terrain of allies and resisters, and spend time building coalitions—but they never seem to move beyond this point. They're unable to mobilize supporters in a way that makes things happen.

Consensus builders have very strong process capabilities. The scale often tips in their favor because they can get people on board and they generally have a favorable reputation, which attracts resources and people.

They also have the ability to prolong meetings, insisting that conferences are the solution to every problem. An organization with too many consensus builders will spend an inordinate amount of time meeting, discussing, evaluating and never really accomplishing much.

Politically competent individuals map the terrain, get people on their side by building a coalition and lead the coalition to achieve results.

Reducing Risk through Politics

There are risks with any course of action you take. You sometimes have incomplete or inadequate information when making a decision. Building a coalition through dialogue with its members pushes valuable information to the surface.

You are open to criticism and politically vulnerable whenever you make a decision. Politically competent individuals reduce risk by getting as many people as possible on their side. Building a coalition is a search process for the best solution.

As you accumulate political currency, it becomes easier for you to wield influence and take on future projects. Your successes will expand your coalition, further enhance your influence and ultimately take your contributions to the organization to new heights.

Although you never learned about it in school, being politically savvy helps you contribute more and have a lasting positive impact on your organization. If you follow the rules and maintain integrity, it will also have a lasting impact on something closer to home—your career. ❑

Look Like You Mean Business in Europe: Dressing the Part

by Maureen Costello

Maureen Costello, MA, CIP is principal of Image Launch, one of the top corporate image management consulting practices in Chicago. Ms. Costello works internationally with organizations on developing positive visual appearance strategies in the areas of professional presence, business etiquette and personal branding. She can be reached at *www.imagelaunch.com.*

When it comes to etiquette and presentation, Americans doing business in Europe face an uphill battle. However, following some basic guidelines can help you make a good impression on even the most critical Europeans.

When in Rome…

Europeans take more pride in their dress style and focus on it more intently than most Americans do. Yet, even among Europeans, there are significant differences in how people from different countries dress for business – and how other Europeans regard them.

Italian businesspeople are respected throughout Europe for their polished, confident, yet approachable look. While the French are also known as good business dressers (with a heavy emphasis on scarves for women), their general look is considered more austere.

The fact that the French and the Italians are snappy dressers is hardly a shock. However, you may be surprised to learn that most Europeans – including the British, the Irish and the Scottish – have embraced high style and developed refined taste in business clothing.

American businesspeople with experience in Europe often say they have learned a great deal about how to dress appropriately in that context simply by observing their European counterparts over time. In fact, if you're doing business in a particular country over a prolonged period of time, it makes sense to be aware of the basic styles of native businesspeople and adapt subtly without feeling uncomfortable. (If you're not sure whether you can pull it off easily, it's always safer to stick with the classics.)

It's the Shoes!

Despite their differences, there is one thing that almost all Europeans focus on above all else when assessing someone's status based on their presentation, as they often do. As Nike has said —it's the shoes! (But obviously not sneakers!)

Europeans in business wear shoes of high style and good quality, and they keep them polished and clean at all times. They believe that Americans wear dirty, unpolished, overly casual, and—worst of all—unfashionable shoes. In fact, a top American executive working in Europe says her number one tip for American businesswomen is "Wear nice heels, for goodness sake!"

An Australian executive who recently moved to England concurs. "Before I upgraded my completely inadequate wardrobe, the first thing I had to do to redeem myself even the slightest bit in their eyes was buy a gorgeous pair of shoes. Then I remade my wardrobe as my salary allowed. But the shoes were definitely the key."

To impress your European counterparts, then, you may want to spend the extra money on a great pair of shoes, and then keep them polished and looking like new. When they get even the slightest bit raggedy, it's time to replace them. Most Americans probably wouldn't notice, but Europeans do.

And some final thoughts about shoes – Europeans find it rude when people touch or point with their shoes, show the soles of their feet, or take them off. One of the biggest faux pas someone can make in Europe is slipping

(continued on page 17)

Looks Like You Mean Business... • from page 16

their shoes off to get comfortable or putting their feet up.

Typical Americans

Good grooming is absolutely crucial in Europe, who expect nails to be clean and manicured—and that goes for men as well as women! Sloppy, dirty clothing is also shocking to them.

Europeans consider wrinkled and baggy clothing characteristically American. They say they can tell American businessmen by their overly casual, ill-fitting clothes. Europeans have noted that American businesswomen wear their hair down instead of back like Europeans, tend to wear their blouses untucked, and combine too many colors, patterns or design elements (pockets, ruffles, etc.) in their outfits.

A good rule of thumb when dressing for business in Europe is to dress a little more formally than you normally would, and to go for simplicity of style and a single color or perhaps no more than two shades of a color. It is wise to err on the side of caution—in this case, conservative dress. Also, avoid synthetic fabric, and instead choose cotton or wool.

Safe outfit for an American businesswoman in Europe

- *Simple, matching suit (with a skirt, not pants) in a single, neutral color.*
- *Simple, stylish blouse in a good material—tucked in.*
- *Hair pulled back.*
- *Good quality heels that are currently in fashion without being trendy.*
- *If you want to get creative, add a matching silk scarf at your neck.*
- *For special evening events, like the theater, you can't go wrong with a conservative, stylish black dress.*

Safe outfit for an American businessman in Europe

- *Fashionable, well-fitting suit in darker colors. How do you know if it doesn't fit well? That's easy – if you bought it off the rack. Almost no one finds a perfect fit that way! Fortunately, most major stores do basic alterations at little or no cost. And make sure the suit is pressed or steamed before wearing it.*
- *Shiny, polished shoes.*
- *A conservative tie in almost any color but blue.*

What to Avoid at All Costs

If you want to fit in as a global citizen instead of standing out as a characteristic American, avoid wearing the following:

- *Blue jeans.*
  Jeans are more universal now, especially among the young in Europe, but they should be avoided for business.
- *Baseball caps.*
  These are American hats for an American sport. You won't see many people from European countries sporting these.
- *Brightly colored golf shirts.*
  Simply put, bright = loud!

(continued on page 18)

Look Like You Mean Business in Europe... • from page 17

- *Khaki cotton "Dockers."*
  Men in Europe wear darker wool trousers to work.
- *Topsiders or Docksiders.*
  These boating shoes are associated with the United States and yachting.
- *Button-down shirts.*
  This style was invented by Brooks Brothers in the United States but is not commonly worn in Europe.
- *Sneakers.*
  These shoes are used for athletics only in Europe and appear too casual for business.
- *Cowboy hats, boots and belt buckles.*
  Avoid wearing anything with all-American symbolism—for work or for casual sightseeing.
- *U.S. flag pin.*
  An overt gesture when you are trying to build cohesion with your European colleagues.
- *Logo T-Shirts.*
  Mass consumerism is frowned upon.
- *Overly tight tops for women.*
  Revealing tops may lead people to infer that you are more interested in pleasure than business.
- *Blue ties.*
  Currently, wearing a blue tie is widely associated with our current president, whom a majority of Europeans dislike, according to recent polls. Many Europeans are able to separate their feelings about Americans from their feelings about our president and his foreign policy, but wearing a blue tie will spark unpleasant associations for them.

Beyond Appearances

Europeans' attention to style when it comes to clothing also extends to business presentations. "They think in general that our presentations are unpolished and poorly thought out," says an American saleswoman who has worked in Europe for many years. "The positive spin would be that we are more focused on the substance than the style, but basically after seeing the thoughtful, impressive presentations they create, I really have to agree with their interpretation. Americans should recognize that the look and style of their work speaks volumes to the Europeans in addition to the content."

In terms of behavior, many Europeans feel that Americans are overly friendly—smiling, laughing and saying "thank you" too often for their taste—and that we are, at the same time (somewhat paradoxically), rude. Consider the "loudness" issue. Americans speak at a much higher volume than our European counterparts. For example, a crowded restaurant in Europe may seem strangely quiet, almost silent, to an American who's paying attention. European children appear to cry almost in whispers. Conversely, to them, our speaking voices sound like shouting, so our natural speaking style comes across as rude

In many European countries, it is considered rude to speak or laugh loudly enough in restaurants for people at the next table to follow your conversation—or to speak at all when entering older hotels, which don't have insulated walls, after early evening. Even when you're aware of this difference, it's hard to train yourself to speak quietly because it doesn't come naturally to us—you just have to keep catching yourself and modulating your voice. It's important to remember that older office buildings may not have walls as insulated for sound as our buildings —others may be able to hear you, even an office or a floor away!

When working with Europeans, it's important to take the time to develop relationships instead of just pushing ahead with the to-do list.

(continued on page 19)

In many European countries, it is considered rude to speak or laugh loudly enough in restaurants for people at the next table to follow your conversation...

Looks Like You Mean Business... • from page 18

As Americans typically do business first and socialize later, we may come across as arrogant and driven, so make sure to pay extra attention and respect the people and cultures around you. Avoid comparing European ways unfavorably to those of Americans, and always pay careful attention to names and titles. Many Europeans take great offense if you call them by the wrong name, use their first names in inappropriate situations, or refer to them by the wrong title. Also, be careful not to act overly familiar, which seems disingenuous, or come on too strong, which makes many Europeans uncomfortable. Give them time and space—business can wait. If you push too hard, you might lose them.

"If you act too friendly too fast, you may get that deer-in-the-headlights look, and pretty soon they're running for the door," an American sales trainer cautions. "I tell all new people that, to work effectively with Europeans, we have to learn how to tone down our personalities the same way we tone down our outfits."

Good Manners

In Europe, if someone offers you food or drink, by all means, take it (without gratuitous comments on your typical diet or fear of carbs or food allergies)! And appear to enjoy it, even if you really don't. Turning down food or drink or acting like it is distasteful is considered to be extremely insulting.

Also, learning the European method of eating is wise. It requires less shifting of utensils between hands, allowing you to call less attention to yourself—hence fitting in better with Europeans. And one final thought—avoid chewing gum. Europeans consider gum chewing to be a low-class, and stereotypically American, habit.

In general, if you want to make a good impression on Europeans, tone down your social and visual style to dress and act a little more formally and subtly than you would in America, and be sensitive to acceptable behaviors around you. If you follow these simple guidelines, you will help to reverse some of the negative stereotypes Americans have to deal with when doing business in Europe. ❑