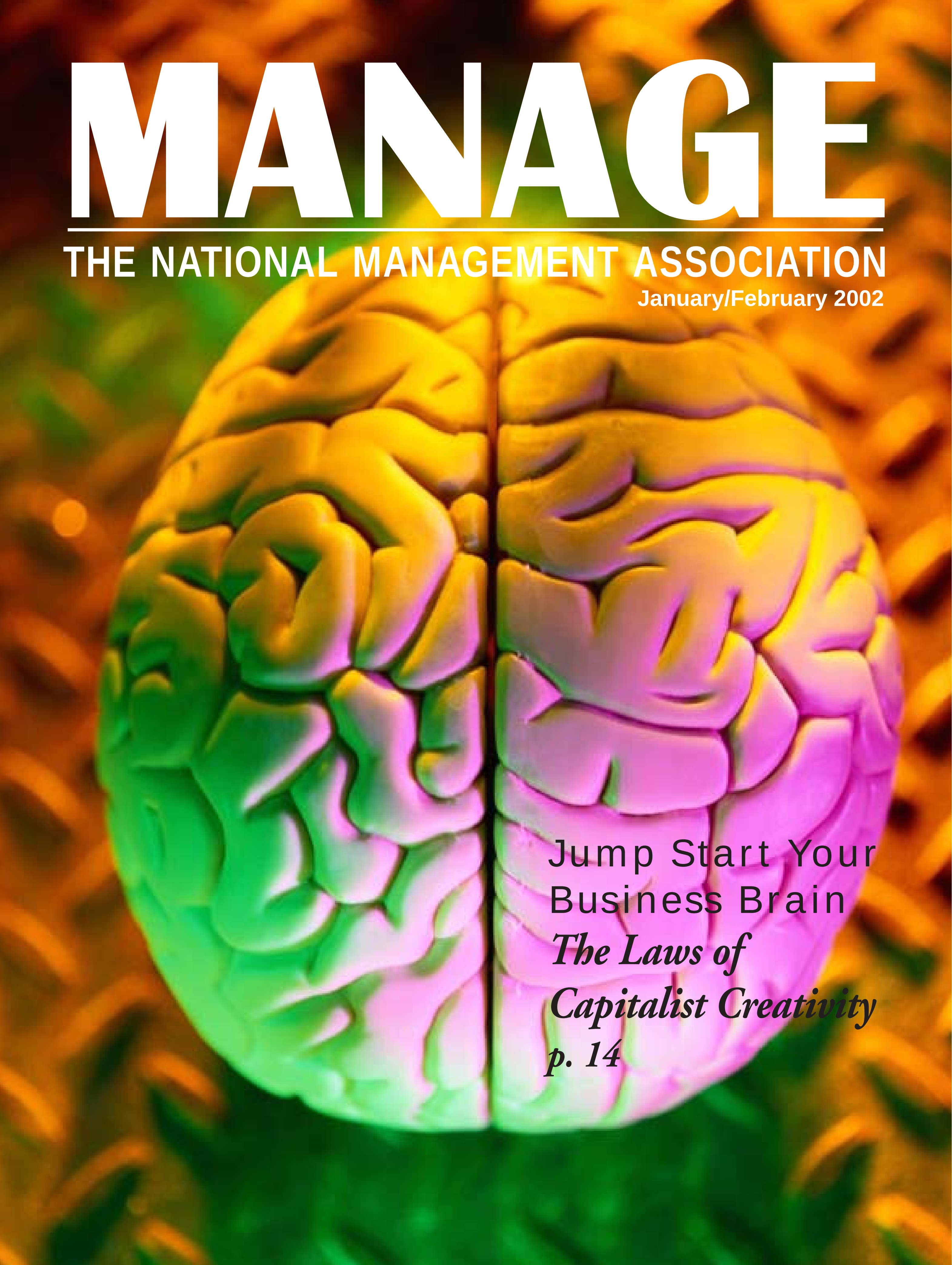
# MANAGE

THE NATIONAL MANAGEMENT ASSOCIATION

January/February 2002



Jump Start Your Business Brain

*The Laws of Capitalist Creativity*

*p. 14*

# Chairman's Message

On January 1, Father Time caught up with our Immediate Past Chairman, Al Fertig, CM, and told him it was his duty to remove his Chairman's pin and turn the reins over to me. I am sure he was reluctant, since there are always tasks yet to do for the betterment of the organization. We all have high expectations, which are the reasons that we hope you elect us. This year is no different and I can promise that the NMA Board of Directors and the headquarters staff will be working harder than ever to deliver programs and tools to you to make our association better and stronger. The emphasis will be on teamwork, parked egos, and specific actions to accomplish. I invite you to consider those areas where I believe we must make firm progress.

Let's look at the future. My view of the future is more than just the next 12 months — it is to put in place actions to move NMA forward for the next 5-10 years. To do this, we will need to manage strategically with a broad view of the future, recognizing high uncertainty, great change, and, yes, chaos.

## I HEARD IT ON THE GRAPEVINE

Over the last several years we have had a variety of efforts underway to attract new members. It takes a grapevine at least 3 years to produce a fruit that can be used and another 2-3 years for the vintner to learn how to bring it to an outstanding wine. So the vintners of the past, former NMA Chairmen Bill Swan, Bill Smelley, Cathy Longo, and Al Piland, have prepared a stellar crop for Al Fertig and me to harvest and use to create a wonderful new NMA.

• One of our former Board members, Charles Duke, has worked patiently within the Boeing team to start a grand adventure with selected nonaffiliated management clubs — resulting in 600+ new members. But there are those who are watching to see if they should jump off the fence. We are going to shake them right off the fence with what happened in Huntington Beach.

• Hopefully, you have heard of the discussions with our counterparts in the International Management Council to effectively bond with NMA. Yes, the idea of 1,000+ new members is great for growth. But that's not why it's a plus — it's a plus because they have outstanding leaders — men and women of vitality, energy, and a sense of purpose. With our two organizations, 1,000 can easily become 10,000!

The Association Development Committee is marching forward with bigger and broader activities. Via their membership campaign, we all need to cross the "Golden Gate to Growth" this year with new members.

You will also find that we will explore new opportunities with other professional organizations. After all, the finest wines are blends of what's best from each type of the vine and combined to complement what the hostess is serving.

## WHAT'S OUR ENTREE?

NMA offers professional development to members so they can be more effective employees. Becoming more aggressive in this market, we will feature *FaciliSkills*™ as the main entree — a new program which will focus on consensus-building and decision-making in today's team -based environment. Now we must move it forward to our chapters and companies and share it with potential new clients. I suspect that it will take some time for our staff "chefs", Jack Aiello, Darla Atkinson, and Karen Tobias, to get this just right. But we must begin serving this soon. Positive feedback and suggestions will only make it better.

I am also challenging the Professional Development folks to quickly evaluate our competition and to initiate an effort that will not only require Karen Tobias and Committee Chairman Paul Williams to focus on high intensity activities, but one which I hope will reach down to each of your Professional Development leaders in your chapters. We have not done our job until you can serve the entrees locally.

## WHERE'S THE BEEF?

The last area to attack is our connection with executive management. How many of your companies are asking, "What is the value that the chapter provides"? As a chapter leader, it can be a testing experience to go see your corporate president or general manager and answer hard questions off the cuff. I am challenging our leaders to provide you with new tools; proven ideas from your peers who have had this experience. Every time we meet with executive management it is an opportunity and I want to arm you with lessons learned from other chapters.

I am also asking that the following actions be undertaken with a special sense of urgency.

• Our senior Association leaders need to get mobilized for direct personal connection with senior management — both inside and out of NMA. The motto — "No Fear".

• We need to find what you need to be in harmony with your executive management and help you deliver.

• We need to cultivate special connections and people so that everyone knows we have value. We can no longer brag that we are the best-kept secret in the business world.

Why? Our future is at stake. Teamwork will get us there to assure financial viability, to further cultivate the very best staff there ever was (at home and in the field), and frankly, to make sure that all of us in NMA have some fun as we work toward mutual goals and objectives.

Don J. Hart
2002 Chairman of the Board

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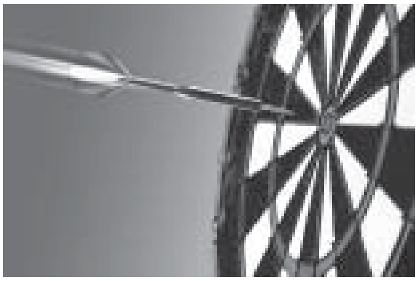

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# The 10 Most COMMON MYTHS About Change in any Organization

*By Charles H. Bishop Jr. Ph.D.*

MYTH: With the right change strategy, budget, and motivation of the staff, successful change effort is ensured.
TRUTH: If you lack the right people, your change efforts will be fatally flawed. A) players can make change happen when placed in key positions; B) players provide support for a change program and can handle some new challenges; C) players are only comfortable with changes within their limited area of expertise; D) players resist change and may even sabotage a change program.

MYTH: Performance appraisals and promotability measures predict personal change capacity.
TRUTH: Over-reliance on performance ratings and promotability data is common, especially when it comes to choosing change leaders. Such information can actually deflect away from change capacity and focus attention on secondary issues such as skill sets, selection, and compensation. People may have strong skills in a given area and exceed performance objectives but have great difficulty adapting to a new system or taking on unfamiliar responsibilities. It is better to solicit the opinion of team members and arrive at a consensus than be restricted by the biases of performance appraisals.

MYTH: Older people are more resistant to change, and people at the top of the organization are very versatile.
TRUTH: Many young people are tremendously resistant to change and many top executives rigidly reject new and expanded assignments. Your assessment of an individual should not be biased for or against based on age, title, organization level, area of expertise, tenure, or any other factor.

MYTH: In order to assess a person's change capacity, it is important to prepare psychological studies on each person, and there must be information on the strengths or deficiencies of each individual.
TRUTH: Not so. A solid facilitated discussion where the focus is on change capacity will get solid information about individuals and their change capacity. Traditionally, we overcomplicate the issue. This model works precisely because it cuts through all the side issues and mountains of psychological testing and gets to the heart of the matter fast.

MYTH: This company grew and became successful because of the hard work and skill sets of the present staff. They have shown they can meet challenges, and we will most likely experience more success using the same team.
TRUTH: What helped the company become successful in the past might not be the same skills required to achieve success in the future. Don't compile a list that only reflects past skills; ask senior people to factor in five-year plans and more immediate strategies to create the targeted skills.

MYTH: Brain power, a strong skill set, ability to handle just about any new assignment, and a quick rise to the top shows this person would be a good leader for change, even if he or she works best alone.
TRUTH: Cognitive intelligence is not a substitute for emotional intelligence. Among the qualities most crucial in a leader are one's ability to get along well with others and one's facility at communication. Stars have a tendency to burn brightly and briefly.

MYTH: A high achiever who is competitive and wants to win are good qualities to have when pushing the change strategy to the next level.
TRUTH: More important than killer instinct is the ability to negotiate and to compromise. To effect change, flexibility is more crucial than rigid determination.

MYTH: Once a change strategy has been decided upon and committed to, management will see it through to the end.
TRUTH: Not necessarily. In fact, the importance of communication cannot be underestimated. Leaders must "stay the course." After all, change always looks worse when you're in the middle of it.

# TRUTH & MYTH

**MYTH:** It is better not to inform everyone in a department or company of the seriousness of a competitor's innovation, the impact of a quality problem or the degree of dissatisfaction among customers because is may cause panic, lowered morale, and turnover.

**TRUTH:** While you certainly don't want to panic people, you do want them to understand how serious the situation is and the potential negative consequences. You must communicate that pain and counterbalance it with a vision of what might be. Explain how they and the company will be better off if they take on new roles and responsibilities.

**MYTH:** When an initiative or need for change comes up within the organization, it is best to see who is there to fill the need.

**TRUTH:** Rather than first asking, "who do we have?" it is best to ask, "What do we need?" You may or may not have the talent inside your organization. **M**

*Charles H. Bishop, Jr. Ph.D. is president of the consulting firm Chicago Change Partners, Inc., a partnership of senior executives offering human asset inventory, executive coaching, and strategic planning to organizations undergoing change. Bishop earned a reputation as an innovative architect of change while a senior-level executive at several Fortune 100 companies including Federal Express, Quaker Oats, NationsBank, ADT Security Services, and Baxter International — during their most crucial evolutionary periods. Years of experience in human resources led to his developing the "personal change capacity" model, a powerful way to help organizations implement change strategies by placing the most change-responsive individuals into pivotal positions.*

# Money $ense


## Focus on Philanthropy: Strategic Giving

### Integrating giving into your financial plan can allow you to have a greater impact on the causes you care about.

*By Rosemary Berkery*

Getting the most for your money is important. That is true whether you are making a purchase — or donating money to a worthy cause.

Americans give generously to a range of nonprofit institutions. More than 80% of American households make charitable contributions annually and donations from individuals account for more than 90% of all gifts to nonprofit organizations.

However, many donors fail to take full advantage of the tools and strategies designed by Congress to encourage giving. As a result, they pay more in estate, capital gains, and income taxes than they have to — and have fewer dollars left for charitable contributions.

Of course, some donors are implementing strategies that allow them to maximize their gifts. Donating appreciated securities instead of cash is one popular approach. This technique allows donors to give more than they would have had they sold the appreciated securities and donated the after-tax proceeds.

Sophisticated givers might also consider establishing a charitable remainder trust, charitable lead trust, or even a private family foundation, These tools — just three of many available to those donating substantial sums — benefit both nonprofits and their supporters.

**Charitable Remainder Trusts.**
This irrevocable trust can reduce your estate, capital gains, and income taxes. Income generated by the capital you have donated to the trust will be dispersed to you for a pre-determined period, usually your lifetime. Upon your death, the capital in the trust is donated to charity.

Because assets liquidated within a charitable remainder trust are not subject to capital gains taxation at the time of sale, this strategy provides you with a more substantial income stream than you would have if you had liquidated your appreciated assets outside the trust and paid applicable taxes.

**Charitable Lead Trusts.**
A charitable lead trust, another irrevocable vehicle, provides many of the benefits of the charitable remainder trust but reverses the beneficiaries of the income and principal. In this case, the charity receives income from the trust. Upon your death or at a pre-determined date, your heirs receive the capital used to fund the trust together with any growth in asset value.

**Private Family Foundations.**
Another popular philanthropic vehicle is the private family foundation, of which there are nearly 30,000 in the United States. Most have less than $5 million in assets though they range in size from$100,000 to $1 billion.

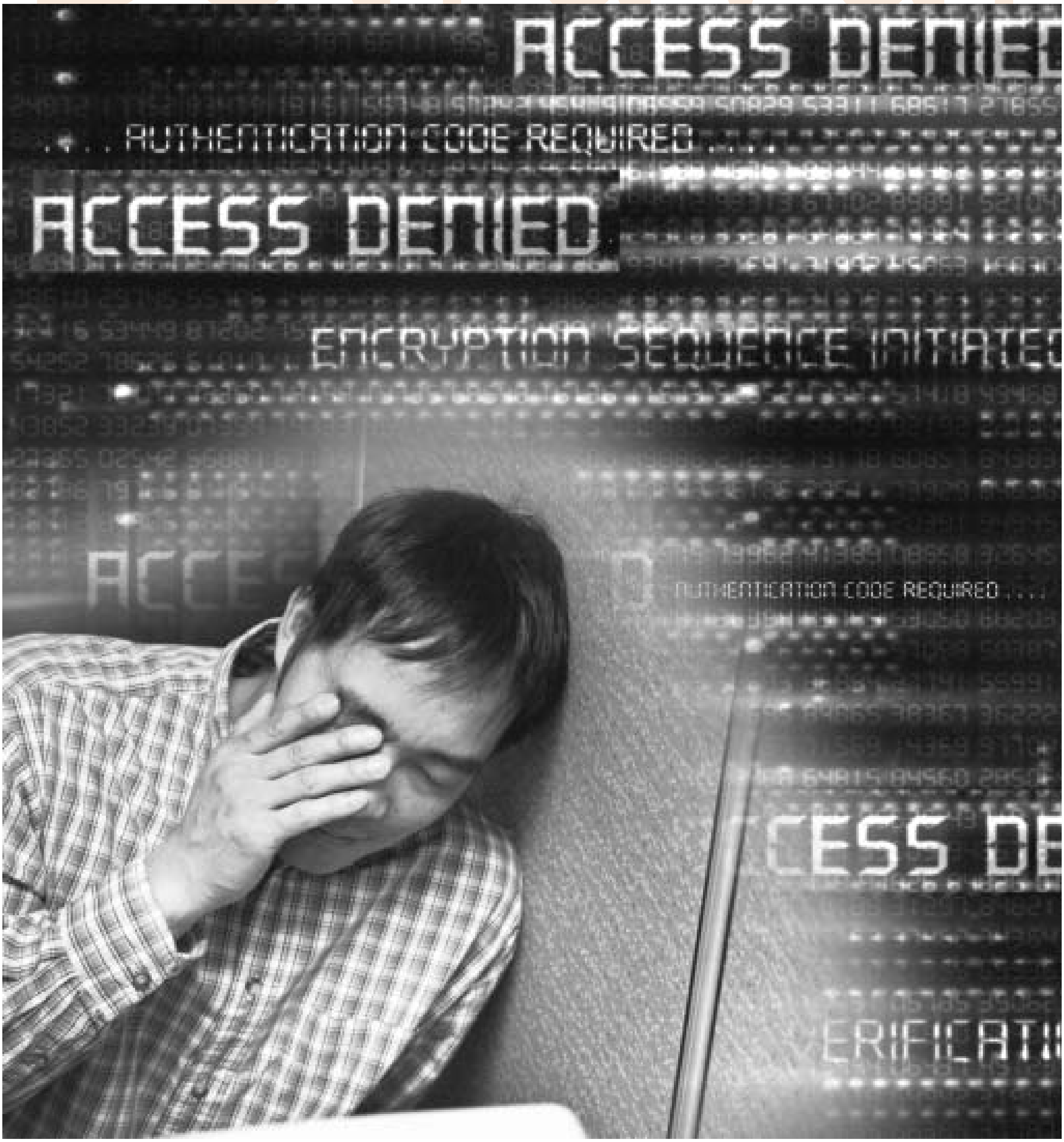
Appreciated assets donated to a private foundation may be deducted up to 20 percent of your adjusted gross income and all contributions to the foundation are exempt from estate taxes.

A foundation's management is required to donate five percent of the foundation's assets to charity annually. Those funds can often be replenished through successful investing resulting in a steady stream of money for worthy causes.

Choosing the right philanthropic strategies and tools to meet your needs takes some planning. But integrating giving into your financial plan can allow you to have a greater impact on the causes you care about. At the same time, you can feel confident that your needs, and the needs of your loved ones, are being met. **M**

*Rosemary Berkery is Senior vice President of Merrill Lynch's U.S. Private Client Marketing and Investment Division.*

# Betrayal at Work:
## How to Heal Betrayed Work Relationships



*By Terry Bragg*

*Survivor* is a popular television show because it exposes human nature — both good and bad, but mostly bad because bad is usually more interesting. The alliance formation and dissolution, the strategies to win or to thwart others, and the blatant lying, deceit, and betrayal capture the attention of viewers. All of this is done in the name of playing the game, surviving another day, and winning the grand prize.

I read comments recently by a psychologist who said that the tactics used by the participants on *Survivor* would not be successful in the workplace. The psychologist claimed collaboration and trust are key ingredients for succeeding at work.

I agree that collaboration and trust are important contributors for success at work. In my experience, though, viewers watch *Survivor* because the show displays the same types of behavior viewers see regularly in the workplace. They regularly see the survivors' behavior — the deceit and maneuvering for self-gain at the expense of others, from coworkers and from the organizations they work for.

Organizational cultures often encourage betrayal and other survivor behavior by employees. You can easily recognize the factors that promote these behaviors: incongruent goals, shifting coalitions, excuse making, finger pointing, and a history of tolerating violations of trust.

For example, downsizing is the corporate version of Survivor Island. Downsizing pits employees against each other — not everyone will survive and some surviving employees will benefit from the downsizing. Downsizing also promotes turf building and coalition building, and it encourages false or misleading communication to hide the layoff that follows. Companies that downsize have a difficult time building effective teams, and getting workers to cooperate. They are also the companies that often complain that workers are no longer loyal to their employers. Do they really expect workers to be loyal to companies that treat them like commodities?

Betrayal comes in three types: (1) unintentional, (2) premeditated, and (3) opportunistic. Unintentional betrayal is violating trust without intending to do so. For example, a worker may inadvertently reveal confidential information without intending to reveal it. This is the classic slip of the tongue.

Premeditated betrayal is entering a trusting relationship to betray the other person. Spies are examples of premeditated betrayers. Premeditated betrayal often happens during corporate mergers. For example, managers in the acquiring company assure staff members in the acquired company that they have jobs in the new organization. The managers know that once they gain sensitive information from the employees, or the employees complete critical short-term projects, the company will fire them.

Opportunistic betrayers intend to betray the other party, but do not enter the relationship for that purpose. The right circumstances and the belief that they will gain more through betrayal than by acting with integrity cause the opportunistic betrayer to yield to temptation. The opportunistic betrayer assesses the potential benefits of betrayal, the probability of getting caught and the severity of the penalties they will suffer if someone catches them.

Most betrayals are opportunistic. Coworkers don't intend to betray each other. They simply give in when the opportunity arises. Gossiping, backstabbing, or taking undeserved credit are common examples of workplace betrayals by coworkers.

Organizations experiencing lack of trust by employees usually commit unintentional or opportunistic acts of betrayal. Poor delegation, miscommunication, constantly shifting priorities, abusive management styles, and repeated reorganizations to cover up mismanagement are examples of behavior that employees may perceive as betrayal of their trust. Although the actions seem minor in isolation, they quickly add up to create a culture characterized by lack of trust and feelings of betrayal.

Organizations do all of this in the name of playing the business game ("it was a business decision"), and surviving another day. To build and sustain trust within the workplace, we must change the game we are playing.

Premeditated betrayal is entering a trusting relationship to betray the other person.

## Seven Steps to Heal a Betrayed Work Relationship

Betrayal of trust in the workplace is common and its effects are lasting. Workers experience betrayal by coworkers, managers, and the organization. Betrayal experiences range from not showing up at an appointment to deliberate sabotage.

Rebuilding trusting relationships and overcoming feelings of betrayal are key issues in many organizations. Distrust, disillusionment, and cynicism often plague organizations. When I consult with organizations, people often ask me for quick cures to the problems of getting people to trust each other and the organization. Unfortunately, miracle cures usually don't work.

> Rebuilding trusting relationships and overcoming feelings of betrayal are key issues in many organizations.

Once someone violates a trust relationship, repairing the damage is not easy. People rebuild trust slowly and deliberately. Violated parties are looking for examples of continuing betrayal. Their guard is up. To repair their damaged reputation, the betrayer must constantly be on their best behavior.

Seven steps will help you or your organization repair the damage of betrayed relationships. These steps may seem like therapy because they are part of a therapeutic process for individuals and organizations.

**Step One: Observe and acknowledge the situation.** Comment on the apparent lack of trust and the perceived betrayal. Acknowledge consciously what people know subconsciously or whisper about in private. Raise the issue to conscious awareness.

**Step Two: Address feelings and emotions.** Actual betrayal and perceived betrayal hurt. You must address the emotions people are experiencing. Allow them to vent safely. Listen. Empathize. Understand what people have experienced and where they are coming from. This step is not about judging who is right or wrong. Instead, this step is about understanding — understanding how people perceive what has happened to them and understanding how they feel about it.

**Step Three: Get support.** Effective personal change programs encourage people to get support. The same is also true for organizational change programs. Get the help of experts who can facilitate the healing process, or who have successfully been through similar situations. Employees may need the support of counselors to guide them through the change process.

**Step Four: Learn from the experience.** Reframe the experience so that you can learn from it. What did we learn from this? What will we do differently next time? How can we prevent this from happening again? How can you 1ook at the experience differently so you benefit from the experience? You can't change the past, but you can view it differently by looking for the learning you gained from the experience.

**Step Five: Take responsibility.** How did you contribute to the situation? What role did you play in the betrayal? This step may include acknowledging your motives and expectations.

**Step Six: Forgive. Forgive yourself, forgive others.** Forgiveness is therapeutic. Forgiveness is important for letting the situation go. Through forgiveness you release yourself, the other person, and the event. Forgiving does not mean you are naive or stupid. You must take steps to protect yourself from repeated betrayal.

**Step Seven: Move on.** Let go of the situation and then move on. Again this doesn't mean that you forget. You may remember the situation and what you learned from it so you don't make the same mistakes again. Focus on the future.

This process works with both individuals and with organizations. Organizations often try to ignore instances of perceived betrayal or to gloss over them because they think they are not a big deal. The acts leading to feelings of betrayal may seem minor and unintentional. Soon the organization finds itself mired in distrust and cynicism. The first two steps in the betrayal healing process are critical. To rebuild a trusting relationship with employees, an organization must acknowledge what it has done and allow employees to vent their feelings.

Managers can use this process to help conflicting coworkers heal and restore their working relationship.

Betrayal of trust can destroy work relationships. Use the betrayal healing process to help repair damaged relationships. But don't expect miracles, because once violated, trust is difficult to restore. **M**

*Terry Bragg runs a company called Peacemakers Training in Salt Lake City, Utah, and is the author of the book* 31 Days to High Self-Esteem. *He works with organizations to create a workplace where people want to work, and with managers who want their people to work together better. If you want your organization or your people to have more energy, more trust, more respect, and more meaning, please contact him at: Peacemakers Training, 5485 South Chaparral Drive, Murray, Utah 84123, 801-288-9303 E-mail: terrybragg@terrybragg.com, http://www.terrybragg.com.*

# 10 strategies for changing the way you work

# Low-Risk Options for Downshifting

*By John D. Drake, Ph.D*

Is work so consuming and fatiguing you have little or no energy for your life away from work? Try one or more of these 10 strategies for changing the way you work, and find more time for yourself and those you care about.

**▲ Keep your lunchtime personal.**
Instead of working during lunch, spend the time on yourself. Make a personal telephone call, get your hair cut, visit a friend, exercise, or simply rest and relax. Make this modification in stages, starting with a particular day of the week and gradually designating more lunchtimes as your time.

**▲ Set more reasonable deadlines.**
Stop making your own crises by thinking everything has to be done now. You think if you tell your boss a project can be ready sooner than later, you'll look good. Maybe so. But the stress of an unrealistic deadline can result in longer hours or weaker performance. When asked "When can I expect it?" add time for unforeseen contingencies and a more comfortable pace — even doubling the time you think will be required.

**▲ Say "no" to some assignments.**
YOU may find it difficult to turn away a project — you relish the idea of the challenges and rewards that will come with it — or think it's risky to refuse it. With fewer projects, however, you're likely to find your work is better and your deadlines are met. Plus, not all assignments are created equal. By rejecting the ones you dislike or find unsatisfying, you'll gain time and enjoy your work more.

**▲ Declare your priority for family.**
If time for family or relationships is important to you, say so. When you overtly declare "My family comes first," word gets around and expectations about your availability change. While in some organizations, this can be the kiss of death, in others it will be honored and respected.

**▲ Avoid business travel on weekends.**
When you travel on Sundays for Monday meetings — or on Saturdays following Friday Meetings — much of your weekends are "lost" for you and your family. While it may not always be possible to avoid early- Monday or late-Friday work plans, with conscious effort and a willingness to declare family a priority, you will gain an extra day to enjoy your personal life.

**▲ Make your personal and family appointments firm.**
Put your personal and family commitments on your business calendar and give them equal priority to your work appointments. Without such a system, your personal and family time will be available only if your work commitments don't interfere with them.

**▲ Take your family on business trips.**
Whenever possible, opt for business trips that include free weekends and locations that offer fun and interesting activities. While it often will require advance planning and communications with your company or clients, it is a good way to create time with your family. Consider taking your kids to your workplace, too. They'll get a sense of your daily commute, see your office, and meet your co-workers.

**▲ Set stop lines.**
Do you find yourself muttering, "One more hour and then I'll head home," only to find you're still working two hours later? "Stop lines" provide a means to putting the brakes on long hours. They involve setting a time beyond which you will not work, with the exception of a high-priority or crisis situation. Select days and stop lines that make sense for your particular work situation, then experiment with them.

**▲ Negotiate extra vacation time.**
Negotiate for additional vacation time when you're offered a new job. If you want more vacation time in your present job, explain how you'll space the time off so it's not disruptive, and make it clear you don't expect to be paid for the extra time.

**▲ Move closer to work.**
While it seems ridiculous to spend up to four hours on a daily commute, it is increasingly commonplace. Move closer to your work or, if out-of-sight housing or other factors prevent it, consider seeking a new job that is less than a half hour from your home. **M**

*John D. Drake, Ph.D., author of Downshifting,* How to Work Less and Enjoy Life More *is a psychologist, and well-known workplace consultant, has first-hand experience with downshifting. As founder and CEO of the world's largest human resources consulting firm —known now as Drake Beam Morin — he made the decision to leave the company for a simpler, more fulfilling life by selling it to a major publishing group while in his early fifties. Over the past 30 years, Drake was a consultant to dozens of Fortune 500 companies and today serves as chairman of the board of Drake Inglesi Milardo, a workplace consulting firm. He has a doctorate in counseling psychology from Case-Western Reserve University, a master's degree in psychology from Fordham University, and a bachelor's degree in psychology and economics from Rutgers University.*

## Rescheduled NMA National Conference…

Great Team

# A Great Team Effort

*By NMA President*
*Steve Bailey, CM*

Following the September 11th tragedy, NMA had some quick decisions to make regarding the 2001 National Conference that was scheduled for September 22nd – 24th in Denver, Colorado.

Because of travel restrictions imposed by business and industry, and the uncertainty of air travel in general, we immediately surveyed all registered delegates. The result — over 40% would not be able to attend, placing NMA in a losing financial position. When asked if they might be able to attend at a later date, the response was overwhelmingly positive; therefore, we started investigating alternate dates as well as locations.

After much hard work and an enormous team effort, we pulled it off. Details were finalized in less than 30 days, and the conference was rescheduled for November 3rd through the 5th at a completely different hotel. Lady Luck definitely played her hand, too. Remarkably, the major award recipients, the six Speech Contest finalists, the major speakers and instructors, and the original entertainers were all available for the revised dates.

Nearly 300 NMA delegates met at the beautiful Inverness Hotel in Denver and participated in their National Conference. The mood was upbeat, the opportunities for networking and learning were exceptional, and the conference ran virtually error free — a remarkable accomplishment since the NMA staff had never seen the hotel.


Albertina Thai
Speech Contest Winner

2002 NMA Executive Board

We wish to give a special thanks to 1996 NMA Chairman of the Board, Carl Mulay, CM, and his energetic Denver Host Committee. Their drive and enthusiasm were absolutely contagious.

And congratulations to our 2001 Member of the Year from Lockheed Martin Leadership Association in Palmdale, CA, Donald N. Williams, CM; our Hall of Fame Recipient, Dr. David H. Ponitz, President Emeritus, Sinclair Community College, Dayton, OH; Speech Contest winner, Albertina Thai, from Los Gatos, CA; and the Executive of the Year recipient, Dain M. Hancock, Executive Vice President of Lockheed Martin Corporation and President of the Lockheed Martin Aeronautics Company, Fort Worth, TX.

In addition, we would like to congratulate Don Hart from the Hanford Chapter in Richland, Washington, who was installed as the 2002 NMA Chairman of the Board. The 2001 National Conference became a reality because of the teamwork and dedication of the NMA officers, directors, staff, volunteers, and most importantly, the delegates who attended the conference. They needed a morale booster in these trying times and knew they could find it in Denver.

We hope to see all of you in San Francisco, September 21st, for the start of the 2002 National Conference. **M**

L to R: NMA 2001 Chairman, Al Fertig, CM, Hall of Fame Inductee, Dr. Ponitz and 2002 NMA Chairman, Don Hart

Executive of the Year, Dain M. Hancock and Member of the Year, Donald L. Williams, CM


Boeing Attendees

# Jump Start Your Business Brain

*By Doug Hall*

You need a few fresh ideas that people will get excited about. Maybe your department head has asked you to develop some bright new concepts for getting kids to eat more breakfast cereal. Or you've been charged with streamlining the invoicing process. Or the coach of your daughter's soccer team needs your help coming up with ideas for a fundraising project to buy new uniforms.

How do you start? Where can you find help? And how do you know if your ideas are going to have any chance of success?

Throughout the corporate world, the classic way to create ideas is to sit and think in a windowless room, occasionally munching cold cuts and stale brownies. This tedious process is called brainstorming. It is neither effective nor efficient. It regards the brain as a compendium of ideas, ready at all times for any withdrawals that may be required of it.

Six years ago, our Eureka! Ranch team set out to see if we could quantify reproducible laws of creativity.

We understood that any effort to identify scientific laws as to what drives creativity cut against the grain of conventional wisdom. But we took the position that we could find our way to something that was dramatically different and, thus, well worth pursuing. We launched our research with dozens of small experiments during Eureka! Ranch inventing sessions with Fortune 500 clients, asking a series of questions regarding the effectiveness of their respective groups creative efforts. These results were correlated with the number of high quality ideas each group produced, as determined by an independent observer.

Six years and thousands of groups later, we found that creativity as it applies to the world of business is not random. We also discovered reproducible laws that can significantly increase anyone's ability to develop business ideas that can succeed.

*The result: The Laws of Capitalist Creativity. The three Laws of Capitalist Creativity provide a better way, starting with the first:*

## THE FIRST LAW OF CAPITALIST CREATIVITY: EXPLORE STIMULUS

Stimulus can take many forms, from sights, sounds and aromas to customer data and first-hand experiences. When you bring stimulus into the creative process, you're programming your brain to connect and piece together pieces of stimuli into ideas. The data shows that, as stimulus increases, the number of bottom line practical ideas increases.

**# of Practical Ideas Invented**
**Low Stimulus Groups 22.3**
**Medium Stimulus Groups 38.4**
**High Stimulus Groups 47.0**

There are four steps to crafting ideas:

### Step 1: Gather pieces of stimulus.

The first is to gather pieces of stimulus. In simple terms, gathering stimulus means to get moving. Stuck for ideas for a promotional campaign? Take a walk and see what others are doing. Exposing your mind to new thoughts will spontaneously spark ideas.

### Step 2: Free associate.

This can be as simple a matter as jotting down ideas that occur to you when you look at the stimulus.

### Step 3: Develop customer concepts.

We use the multiplied stimulus to inspire ideas that offer an Overt Benefit and Real Reason to Believe. At this juncture, worry only about what's in it for your customers.

### Step 4: Optimize practicality.

Translate customer-focused ideas into concepts that can be designed and delivered profitably — but don't lose the overall focus on Overt Benefits, Real Reasons to Believe and Dramatic Differences.

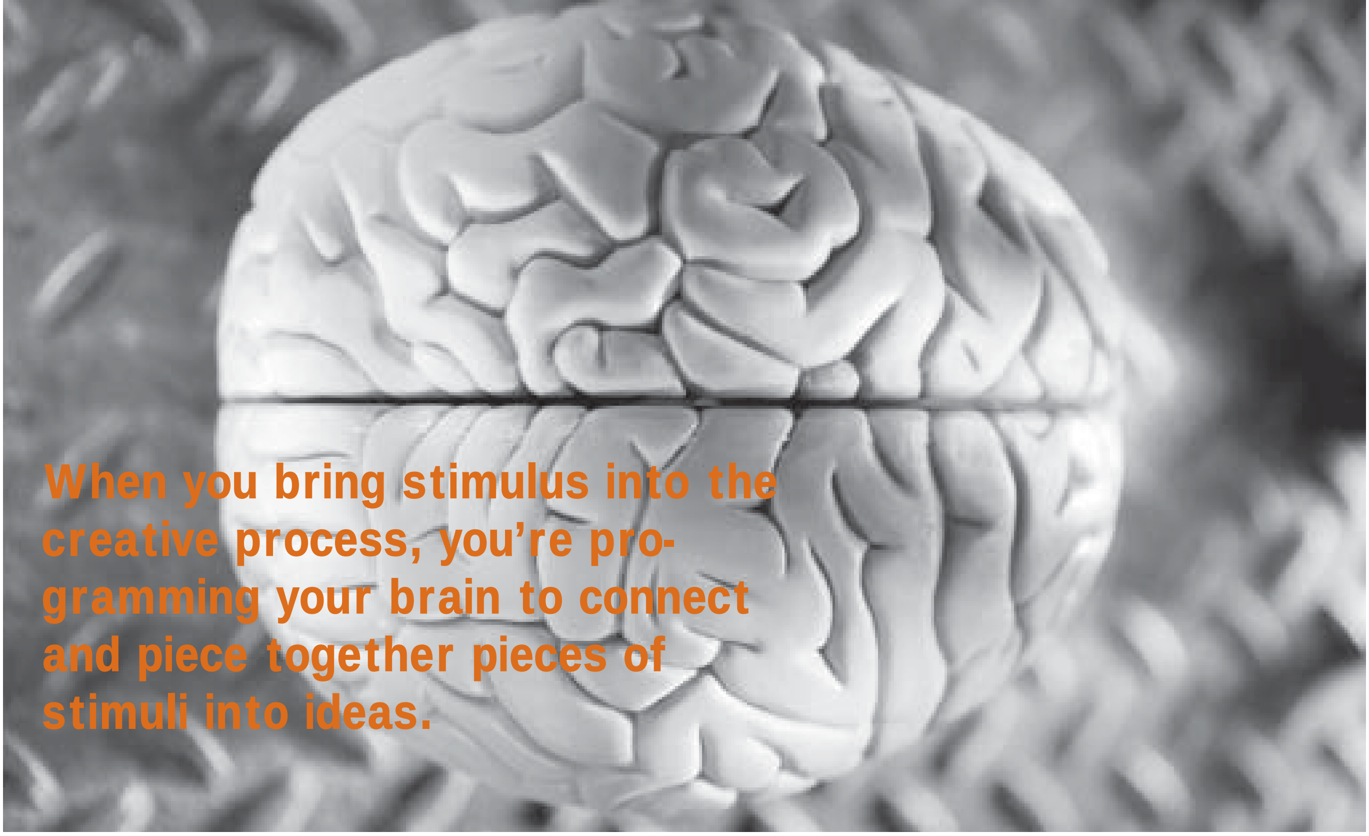
## THE SECOND LAW OF CAPITALIST CREATIVITY: LEVERAGE

Diversity.You'll multiply the power of stimulus when you seek input from as many different kinds of people with as many different backgrounds as possible.

In our research, we measure the impact of group diversity by asking the question: "I felt the participants in my group provided and offered diverse viewpoints in the generation of new ideas."

Controlling for variables, we find a nearly 250% increase in the number of bottom line practical ideas invented when diversity is high.

**# Practical Ideas Invented**
**Low Diversity Groups 18.5**
**Medium Diversity Groups 29.9**
**High Diversity Groups 46.0**




A key element of diversity is thinking style. The original research on thinking styles was done in the 1970's. Much of what we understand today about how the brain works was learned from disconnecting the two halves of the brains of patients with incurable epilepsy.

From this, the concept of left brain and right brain was developed. It was learned that the two sides of the brain have separate functions. The brain's left side is about details; the right side is about dreams. To develop profitable business ideas, you must leverage both dreams and details. The challenge is to maintain balance of right brain vision and left brain discipline.

Our research indicates that those with a left-brain orientation turn dreams into reality. They're doers, planners, disciplined idea builders. If you're Left Brain, recognize you have a responsibility to provide leadership in terms of translating visions into practical reality.

Those of a Right Brain orientation can be leveraged as an energy source for change. They're dissenters and rebels. Against all odds, they can develop the momentum to make great things to happen. If you're Right Brain, it's up to you to blaze the trail. Without your spirit of adventure, the likelihood of anything new ever occurring is slim.

Are you with me so far? Good. Now take the last step in turning your ideas into reality.

## THE THIRD LAW OF CAPITALIST CREATIVITY : FACE FEARS.

Fear has a direct negative relationship to creative effectiveness.

**# of Practical Ideas Invented**
**High Fear Groups 30.9**
**Medium Fear Groups 33.7**
**Low Fear Groups 42.2**

To double your number of bottom-line ideas, you can double your effort or cut your fear in half. The result is the same. To succeed in life or business, you have to learn to embrace change with the same energy and enthusiasm most people use to prevent it. Change really is the only way to inspire genuine growth. If you're not growing, you're dying.

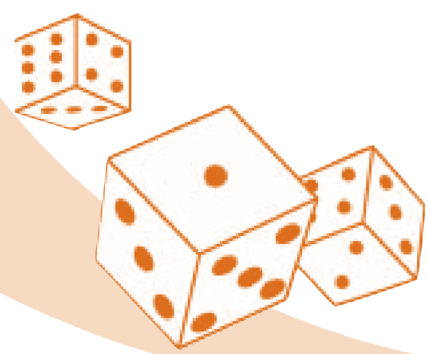
One of the major fears is the fear of failure. It prevents many people from even trying. Look back on your own life over the past six to 12 months. How many times have you failed spectacularly?

If you run out of fingers counting the occasions, take heart. It means you have the courage to take risks.

We can find the courage to seek change when we're passionate about our cause. When you're taking action on the right things in the right way, fear has no chance to take root. The best way to know if your proposed action is "right" is to examine it in the context of the three laws of Marketing Physics. When your efforts are focused first and foremost on the customer — by offering them Overt Benefits, Real Reasons to Believe and Dramatic Differences — the odds of success are on your side. **M**

*Excerpt from Jump Start Your Business Brain, by Doug Hall. Reprinted with permission. 2001, Eureka! Institute. All Rights Reserved.*

# 5 OVERLOOKED WAYS TO HIRE WINNERS



*Huge amounts of research prove most interviewers do poorly at predicting how an applicant will do, if hired.*

*By Michael Mercer, Ph.D.*

Here is a true story. My dentist did a "clinical" evaluation of my teeth. That is his fancy way to say he looked in my mouth and stared at my teeth with his own two eyes. He found no cavities in his "clinical" evaluation. I felt happy and relieved!

But then he took a quick x-ray. The x-ray immediately spotted a cavity hiding under one of my fillings!!

In other words, what you *see is* not always all you get!!! An objective x-ray found a lot more important information than a highly trained eye.

Likewise, some applicants come across fine in a job interview. But, they then proceed to flop after you put them on the payroll. In fact, huge amounts of research prove most interviewers do poorly at predicting how an applicant will do, if hired.

So, it is crucial for a manager to use special "x-rays" to spot potential trouble lurking within an applicant — and also uncover skills and talents that will prove beneficial on-the-job. Here are five superb "x-ray" methods you can use immediately to help you hire high-achievers — and stay away from underachievers.

## Pre-Employment Tests

Research shows that customized tests are the best way to accurately predict on-the-job performance. You can use three types of tests:

➠ Behavior tests — to evaluate interpersonal skills, personality, and motivations

➠ Abilities tests — to predict brainpower in problem-solving, vocabulary, arithmetic, grammar, and handling small details

➠ Character tests - to detect a "bad apple" who has a bad work ethic or might steal

Tests can be given in paper and pencil test booklets or on the Internet. Importantly, only use tests designed for pre-employment assessments.

Customize tests you use by doing a "benchmarking study" to find out how your highly productive, low-turnover employees typically score. Then, you quickly can compare applicants' test scores against scores of your most productive employees. Of course, you can show preference for applicants who score like your winners.

## Remember One Truism

When I deliver my speech or seminar on *Hire the Best & Avoid the Rest*™ I always point out: Whatever behavior you see from the applicant during the screening process is likely to be the very best behavior you ever will see from that person! You have surely witnessed this truism.

Let's say you want to hire a high-energy person. Candidate A stays very high-energy during your entire screening process, including all in-depth interviews. Candidate B starts interviews high-energy (a good sign) but then acts increasingly drained as the interviews go on (a bad sign). Candidate A is much more likely to be high-energy on-the-job than Candidate B. Do not expect Candidate B to suddenly explode with energy if you hire that person.

## Referrals from Your Best Employees

Winners hang around with winners. Losers hang around with losers, Your best employees probably hang around with high-achievers. Ask those employees to refer applicants.

## Bio-data

I'm not referring to DNA. Instead, bio-data is biographical data. Here's how to benefit from bio-data. Grab the files on your superstar employees. Look for common work-related experiences or education that most of them have.

For example, one company I consulted to wanted to hire salespeople to sell a service (not a product). Upon examining bio-data of the company's superstar salespeople, we found the high achieving salespeople had worked selling services. Most of the company's underachieving salespeople worked in sales, also. But, the underachievers sold products, not services.

Interestingly, the same company also discovered most of its superstar salespeople worked at McDonald's for six months or longer in high school or college. This showed an interest in serving customers (after all, that is what McDonald's stresses) plus stick-to-itiveness (lasting six months or more in a normally high-turnover job). So, start digging into your bio-data treasures located in employees' files.

## RJP

RJP stands for *realistic job preview*. To do an RJP, (a) show applicants exactly what they will do on-the-job if you hire them, (b) let applicants think about it for 24 hours, and (c) then ask applicants if they want to take the job. Research shows employers who give detailed RJPs get two results

- less employees accept the job offer
- applicants who accept the job offer are less likely to turnover

Importantly, an RJP needs to be super-realistic. For example, I consulted for a tire company. It had great difficulty getting people to work in "purgatory" — a horribly hot room in which hot, just made tires were moved on the tire molds. Anyone who worked in the "purgatory" room spent all day covered in sweat and thick white dust. No wonder most people quit that job after a short time!

I recommended using RJPs. The company worried, "Applicants won't take that job if they know much about it!" I said let's try RJP anyway. Sure enough, after seeing this awfully hot and dusty job, only a small percentage of applicants took the job. But, those who did stayed a long time. Note: They were people who acted distinctly "odd," and relished feeling hot and sticky all day!

## Do It Now

If you remember these points, you can hire the best — and profit from it:

- what you see is not all you get — but it is the best you will see
- use customized tests, since tests predict job success better than other methods
- take advantage of predictors right under your nose, including referrals from winners, bio-data, and RJPs

Importantly, you can start these valuable methods today so you immediately start hiring the best. **M**

*Michael Mercer, Ph.D., is a consultant, speaker, and founder of The Mercer Group, Inc. in Barrington, Illinois. Dr. Mercer's "Abilities & Behavior Forecaster™ "pre-employment tests are used by companies across North America. He has trained over 5,000 managers in how to interview job applicants. Dr. Mercer authored* "Hire the Best & Avoid the Rest™ *and also* "Absolutely Fabulous Organizational Change™. *You can contact him at www.mercersystems.com or (847) 382-0690.*

# Dealing with Difficult People In Business

*By Dr. J. Mitchell Perry*

When you learn how to identify people's behavior in business you are way ahead of the game, and your career (and sanity) will benefit enormously.

People can be difficult ... and dealing effectively with people in business is crucial to your success. When you learn how to identify people's behavior in business you are way ahead of the game, and your career (and sanity) will benefit enormously. These benefits can be of great value in the following circumstances:

1. When applying for a job
2. Asking for a promotion
3. Maintaining balance and equilibrium on the job
4. Gaining a new account
5. Succeeding in the merger or acquisition of your company
6. Navigating through the political waters at work

Let's begin by identifying some popular difficult personality types.

### 1. The Hostile Person

The hostile types include:

- The Bully - the boss or coworker or business contact who takes pleasure in running over you
- The Sniper - the person who says something nasty and pretends to be innocent
- The Exploder - Their favorite line is "Don't make me mad," so you are always on guard for an explosion.

### 2. The Negative/Critical Complainer

Everything is always wrong, bad, awful and miserable. Professional whining.

### 3. The Unresponsive

They are silent, non-communicative, unemotional, and distant. It is impossible to tell what their position is on anything.

### 4. The Indecisive

Perpetually ambivalent, uncommitted; afraid of making mistakes, being wrong, being exposed.

### 5. The Judge/Calculator

"Let me analyze this," remaining critical, pejorative, everything is slightly flawed and imperfect.

### 6. The Passive/Aggressive

Appearing compliant while sabotaging, undermining, and criticizing all the time

Sound familiar? What do you do about these types when you have to work with them, answer to them, persuade them?

Here are some effective strategies that you can use: (Remember that different types require different tools, and it is helpful if you can use many people tools in your tool box)

1. Keep a smile going, remain strong, impervious to the manipulations (works well on the Negative Complainers).

2. Remove yourself (when possible) from the difficult person (it's a frustration when they are without an audience) (works on the Bully).

3. Validate their opinion before you counter with yours. They will be less difficult when they feel valued.

4. Listen first. Listening is the best way to get your point across. As Dr. Stephen Covey says in "The 7 Habits of Highly Effective People," seek first to understand, then be understood (works on the Judge/Calculator).

5. Replace "Yeah But" in your dialog with "On the other hand." This small change will calm down escalation of contests and conflicts.

6. Ask them to help you understand. People are less likely to be difficult when asked for help. (works on the Indecisive and Unresponsive).

7. Reinforce their value following a criticism. People respond to what they heard last. Therefore they will be less defensive.

8. Engage in three or more options. People will be less contestable when there are multiple options available.

9. Replace "you should" with "you might," or "I encourage you to." People get very difficult when they hear the word "should".

10. Expose the routine. Announce your confusion with mixed messages from them. (sometimes effective on Passive/Aggressive).

**People can only wreck your day with your consent.**

Above all, maintain your power and your sense of humor. People can only wreck your day with your consent. Though certainly difficult people often appear to want you to enjoy their misery with them, keep in mind you can always allow them to enjoy their private party by themselves. Remember the movie, "War Games." At the end of the movie, the computer concluded "The only way to win, is not to play." How true sometimes. **M**

*Dr. J. Mitchell Perry, Business Psychologist is CEO of JM Perry Learning Technologies. He resides in Ventura, California. Reach him at www.jmperry.com or call 800 JM PERRY.*

# LAUGHING ALL THE WAY TO THE BANK!

## Why to get serious about humor at work

*By Bill Schabel*

Nothing's funny about a business without a sense of humor. It's more than a play on words. Although the business community largely dismisses humor as frivolous and unproductive, in fact, it's a tremendous asset.

Companies that use humor enjoy a host of proven advantages — with a variety of serious implications. Here are seven compelling reasons for corporate America to lighten up:

### It actually pays to let people play.

The owner of Pike Place Fish in Seattle found out play is not the opposite of work. He let workers have fun when they committed to being world famous. They started throwing fish up to the check out, pretending to make the fish talk and playing with customers. Everybody loved it. The "fish guys" have since been on TV in four countries, made a commercial for Nike, and have been featured in two blockbuster training films. Business is booming.

### Laughter keeps us alert and listening.

Poor listening costs American business over $16 billion dollars a year. Laughter can lower that cost. The process triggers an adrenaline release that keeps us alert. Mentally, we're ready for surprise and more focused.

Southwest Airlines flight attendants routinely use humor to help passengers listen. Sometimes they intentionally announce the wrong destination before take off. As everyone panics, they correct the "mistake" with a grin and add. "Now that we have your attention let's begin the safety briefing." It works.

### Humor helps you remember.

Research shows long term memory improves significantly when humor is used appropriately and sparingly. A teacher helped students remember the word obdurate by holding a telephone receiver to her ear and saying. "Obdurator! Hello! Obdurator!" Virtually everyone got it right on the test.

Many of us know which way to turn a screw . . .Righty tighty. Lefty loosy. Consider the possible applications for educators, speakers, leaders and other professionals.

# Companies that use humor enjoy a host of proven advantages — with a variety of serious implications.

### Laughter reduces pain and increases pleasure.

Laughing triggers the release of endorphins. It's your body's version of morphine with no harmful side effects. It's the same chemical that induces the'"runner's high." Most of us, of course, prefer laughing over a grueling 10 mile run.

Norman Cousins reported that 10 minutes of solid belly laughter gave him two hours of pain free sleep when he fought severe illness. Although doctors heavily criticized his claim, a Swedish medical study later proved that "laughter helps the body provide it's own pain killing medications." India has 100's of "Laughing Clubs" where people meet daily just to laugh and feel better.

### Exercise and laughing have the same effect.

Dr. Fry at Stanford proved laughing 100 times is the physiological equivalent of 10 minutes exercise on a rowing machine. In other words, you can get in shape at a comedy club instead of a gym. The average child laughs about 400 times a day. The average adult laughs about 15 times a day. Maybe adults should act more like kids.

### Having fun unleashes creativity.

A humor consultant reportedly got engineers at Monsanto to loosen up before meetings by having them hang metal spoons from their noses. Their group won more patents for their ideas than any other team.

When my little girls asked what the orange balls were for on power lines. I said they were leftover shish kabobs from giants. Laughing, they guessed they could be a giant abacus, eagle seats (to spare birds from a hard wire on the butt) or life preservers to float the wires if they fell in water. When I told them they were actually used to make the wires visible to pilots, brainstorming ended. You can he creative without playing, but you can't play without being creative.

### Humor defuses stress and changes attitudes.

A rookie female police officer arrived at a domestic call where a man was holding a gun to his wife's head, threatening to shoot her. As the rookie got to the front door, a TV came crashing through the picture window. She froze and calmly announced, "TV repair lady!" The man laughed and immediately surrendered.

Humor saved the election for Ronald Reagan when his age was an issue. He said. "I'm really not tired despite the fact I've been campaigning in all 13 colonies." And, "I refuse to make age an issue in this campaign and harp on my youthful opponent's lack of experience." Experts agree a better sense of humor could've helped Al Gore win.

Philosopher William James said, "We don't laugh because we're happy, we're happy because we laugh." And healthier. Recently, University of Maryland medical researchers proved that people with a less developed sense of humor have corresponding higher rates of heart attacks. Stress kills and humor saves. Not funny.

Comedians talk about "killing us" but it's really the other way around. Those who laugh ... last longer and better. Their companies make more money. Their competition doesn't laugh about it. **M**

*Bill Schabel is a speaker, trainer, consultant and President of Hyper-formance Learning, Inc. He can be reached at 770-887-9830, by e-mail at wschabel@msn.com or on the web at www.hyperformancelearning.com.*

# MEMBERPERSPECTIVE

## Desire + Creativity = Growth

*By Art Seidler, CM, NMA National Director, Blue Cross/Blue Shield of Michigan in Southfield*

Growth is the key to the continuing survival of any organization. To achieve growth often requires innovation, determination, and unusual creativity.

Although many NMA chapters continue to struggle with their membership totals in difficult economic times, many have had spectacular new member growth in the past year. Between July 1, 2000 and June 30, 2001, NMA acquired 2,338 new members within affiliated organizations!

The star performers in last year's Odyssey Membership Campaign were Alcatel USA in Plano, TX, with an impressive increase of 404 new members, followed by Lockheed Martin in Marietta, GA, with 158 members, Lockheed Martin Houston, 94 members, United Space Alliance at the Kennedy Space Center (89 members), the Hanford Chapter in Richland, WA (84 members), Lockheed Martin in Sunnyvale, CA (75 members), Blue Cross Blue Shield of Michigan (70 members), and the City of San Diego Chapter bringing in 70 new members.

Alcatel's sign-up of 404 new members during the drive was a truly outstanding achievement, a record increase! Connie Gidney, CM, National Director, says that a mix of business and social events is important. Some of Alcatel's best attended and most attractive programs to new members include their December Casino Party, where spouses and guests are welcome, and the very popular Murder Mystery event. Connie notes that the best source of new members is word of mouth.

Alison Orne, Chapter President at Lockheed Martin Leadership Association (Marietta, GA), attributes their success in growing membership to their diversified programs and services as well as employee enthusiasm. The chapter's family program, "Zooboulous Adventure", is held at the Atlanta Zoo and includes food, prizes and entertainment. The chapter also hosts Family Day and Education Fair. Membership growth also came from expansion of membership eligibility to represented employees. New member Michelle Lewis completed all the NMA Supervisory & Management Skills and Advanced Management Skills courses and was recognized as NMA Booster of the Year. She was also elected Vice President of Chapter Development.

Linda Sprekelmeyer, Membership Director at San Diego's Ryan Management Association, tells us that their success is solidly based in the support from their corporate management, which participates at almost every chapter event. A key promotional aid is their Silver Knight celebration. The chapter recognizes every new member at their dinner celebrations and lists their names in their publication, *The Source*. Educational courses are offered free or at a minimal charge to members, and the American Enterprise and Special Events programs are also used to encourage the recruitment of new members.

According to Lee Withington, Chapter President of Lockheed Martin Leadership Association (Greenville, SC.), their membership drive was successful primarily because the chapter waived the $20 enrollment fee. Executive Advisors covered the revenue loss by transferring funds from the company to the chapter. The chapter developed a new introductory briefing for the new hire orientation, increased the number of boosters throughout the facility, and scheduled fewer but improved dinner meetings.

Cindy Vanderlinden, Chapter President, Blue Cross Blue Shield of Michigan Association (Detroit, MI), attributes its success to recruitment programs. A special membership campaign committee launched the development of attractive posters, issuance of flyers, publication of articles in the chapter newsletter, and giving prizes for signing up. Enthusiastic presentations were made at divisional meetings and new member orientations. Also Human Resources staff handed out NMA information at the time of employee hirings.

Laurie Peterson, Member Relations Chairperson, Lockheed Martin Space Operations (Houston, TX), advises that successful membership growth strategies included waiving the new member fee and setting up "easy access" booths during lunch hour. Great "giveaways" to entice new members included "Success is a Choice" mugs and NMA badge holders. Laurie happily reports that a power failure actually happened by accident during their drive, and that a great number of people signed up "because they didn't have anything else to occupy their attention." This unfortunate occurrence worked to their chapter's advantage, and she jokingly suggests scheduling another outage during next year's drive!

The Solectron (Aguadilla, P.R.) NMA chapter added new members and kept existing members during a period of mass layoffs in which about half of their employees were let go. The most important factor in the chapter's success was allowing temporary employees to participate as members. "New blood" was acquired and current members were spurred to get involved in chapter activities. Lizzette Martinez, Chapter President, recommends a New Member Fair where current members bring in new members and the recruiting members are rewarded. She says that, "in a fun atmosphere, you can present important topics, relevant to our reason for existence!"

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