



Communicating with Impact

Here are some dos and don'ts when you want to communicate clearly and with impact:

Do make your statements clear and free of unnecessary jargon.

Do plan ahead what you want to say.

Do make sure the timing is right when speaking to an employee or a manager.

Do speak from a position of strength. Get your facts straight before you speak.

Do take responsibility for making sure that what you say is understood by your audience. Ask for feedback and clarification before you complete your discussion.

Don't assume your audience shares your interest in the subject. Think about how you can make the listener care about what you have to say.

Don't let personal feelings get involved in business or professional matters. Watch your body language for any signs that can be translated as hostile or cause discomfort for your listeners.

Don't always assume that your audience will understand your main thoughts. Spell them out clearly without being condescending.

Don't be afraid to make changes if you are presented with new information or a different point of view. Remember, communication is a two-way street.

For more help in communicating with impact, check out AMA's communication seminars at www.amanet.org/seminars

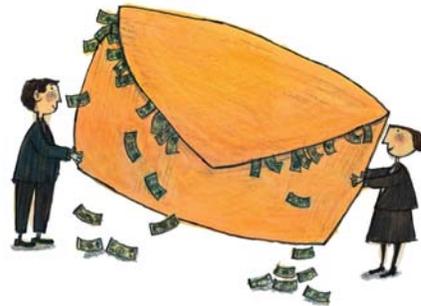
Can Loyalty Be Bought? BY DIANNE MICHONSKI DURKIN

One trap that some employers fall into is the idea that employee loyalty can be bought. Matt Bloom, associate professor of management at the University of Notre Dame, calls this "mercenary loyalty," a temporary form of loyalty that is easily redirected when another organization is willing to give more.

According to Bloom, the mercenary loyalty produced by runaway bonuses, overwhelmingly disproportionate executive salaries and lifestyle perks is creating an "insidious crisis...the demise of true loyalty among many managers and employees in America's companies."

Paula Morrow, a management professor at Iowa State University, sees a similar trend infiltrating the rank and file. In the absence of a culture of loyalty—and with little or no expectation of job security—employees are easily lured to another position by a larger salary, leaving companies vulnerable to a bidding war for top talent. By contrast, Morrow observed in an interview with the *Detroit News* that "companies that can get an emotional form of loyalty from workers get employees who take pride in the products, offer better customer service... and as a result those companies have less turnover and fewer customer complaints."

Being proud of the product you represent is crucial, but it's only part of a larger picture. In fact, the most



loyal employees—and those who offer the best customer service—are not just proud of the products and services they offer but proud of the companies they work for. Most important, they're

proud of themselves and what they're achieving in this world, based on the work they do and the contributions they make to the company's and customers' well being.

Christine Wright-Isak, Ph.D., president of Northlight Marketing, Inc., a research firm specializing in business sociology, says, "Loyalty is something that comes over and above compensation. The company culture has to consider some intangibles, for instance, the common human need to feel valued."

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AMA Survey Facts

38.8% of organizations say that they do complete background checks for all new hires.

58.7% conduct credit checks for positions where there is access to cash or assets.

91.1% say that it depends on the situation how much impact results have on hiring.

These results are based on a credit check survey conducted by the Human Resource Institute, in conjunction with the American Management Association. For more information on the Human Resource Institute, visit www.hrinstitute.info

Can Loyalty Be Bought?

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Why is employee loyalty such a critical issue? Loyal employees create loyal customers.

What makes a customer happy? The product or service has to work, of course, but it's common sense that a good experience shopping or working with your company is going to create the potential for a long-term relationship. This isn't rocket science, but company leaders tend to forget one crucial element: customers forge relationships not with the "brand" per se, but with the people they encounter who represent the brand and the products or services it provides.

Customers are even willing to pay more for better service. In Walker Information's 2003 study of retail loyalty, sales associate professionalism and fast checkout were cited as two of the top four factors influencing customer loyalty. The report tied service straight to the bottom line, because loyal customers are likely to shop more frequently, spend more on each purchase and recommend the retailers to others.

Frederick Reichheld, whose studies focus on customer satisfaction, says that most businesses don't make the logical connection that they need loyal customers in order to grow a profitable business and that they can't have loyal customers without loyal employees. Jeffrey Pfeffer, of Stanford University, wrote, "All that separates you from your competitors are the skills, knowledge, commitment and abilities of the people who work for you. There is a very compelling business case for this idea: companies that manage people right will outperform companies that don't by 30% to 40%."

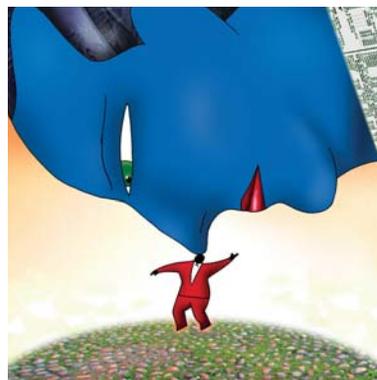
Dianne Michonski Durkin is the president and founder of The Loyalty Factor, LLC, a training and consulting firm that specializes in change management, employee loyalty and customer loyalty programs. This article is adapted from her book *The Loyalty Advantage: Essential Steps to Energize Your Company, Your Customers, Your Brand*. This article is printed by permission of the publisher, AMACOM, a division of the American Management Association. Copyright 2005. For more information on this book and other AMA titles, visit www.amanet.org/books

The Art of Saying "No"

A result of maintaining an open line of communication with your staff members is that you will periodically be forced to refuse a request made by one of them. There are many ways of saying no. Your job as a manager is to say no in such a way that it will first, not cause hard feelings between you and the employee and second, will not cause the employee to fear asking you for something else.

An effective refusal consists of three consecutive steps. The first is the refusal itself. You can say something to the effect of "No, I cannot do that," or "No, I will not do that."

The second step is to say something that will prevent the employee from thinking of you as an unreasonable and arbitrary autocrat. This is done by giving the employee a reason or an explanation for the refusal. You might say, "I cannot give you a raise *because....*" and give a reason.



The third and most important step in an effective refusal is a statement that overcomes the employee's feeling of rejection by demonstrating that his or her needs are important and that you would like to try to meet these needs.

This can be done by offering the employee an alternative course of action or a solution that will meet his or her needs in part. You can say, "I can't do that, but I can..." and then offer an alternative.

For example, if an employee asks to take the next three days off to attend a training workshop on administrative skills at a time when he or she cannot be spared, you could say, "No, I can't give you the next three days off because we have to complete our advertising campaign by Friday, but you can attend the workshop that's scheduled for the spring."

For more help in supervising others, check out AMA's management seminars at www.amanet.org/seminars

RE-ENGINEERING: Should We Be Sheep or Wolves?

Jo Owen, author of *Management Stripped Bare* (AMACOM), reminds us that when we hear about re-engineering or redeploying operations, we have four responses. She suggests that we not act like sheep. A more successful strategy is to join the wolves.

Here are the four responses:

1. Ignore it and hide. This is called the "get lucky" strategy, says Owen. It is the strategy of sheep: they hope that the wolf will pick another sheep. This sheep strategy identifies you as a potential victim. Says Owen, "You are likely to land up as dead meat."

2. Fight it. Sheep do not have a good track record of killing wolves. At least, it is a spectacular way to go. As Owen reminds, "Re-engineering is normally

driven top-down, so resistance is tough."

3. Run. As a sheep, you can look for another shepherd. As a manager, you can search out a new department or company where there are no re-engineering wolves or you can be protected.

4. Join the wolves. While sheep in wolves' clothing are not always convincing, it is the safest place to be, according to Owen. "You get to pick who the victims will be. Unless you have a strong death wish, you will not pick yourself."

From *Management Stripped Bare* by Jo Owen. Published by AMACOM. For more information about this book and other AMA book titles, visit www.amanet.org/books

For help in dealing with change management, check out AMA's seminars at www.amanet.org/seminars

The Happiness Factor BY MARK VICKERS

Does the happiness of workers represent a strategic advantage for employers? That's one of the critical questions being raised in new fields of psychology and organizational studies. The answer could help drive management policy for years to come.



Pioneering psychologist Abraham Maslow introduced the term “positive psychology” half a century ago, but only recently has the term begun to flourish. Much of the credit goes to University of Pennsylvania psychologist Martin Seligman, who began his tenure as president of the American Psychological Association by trying to get his colleagues to focus on the mental underpinnings of good feelings.

In response, more researchers are concentrating on the factors that allow people to achieve exceptionally positive frames of mind, or what most of us call happiness.

Some factors have been found to be more effective than others. Money, for example, does not seem to play a huge role. Various studies suggest that, although poverty and low pay can cause unhappiness, once a certain level of compensation is reached, there is not a “significant relationship between how much money a person earns and whether he or she feels good about life.” Supportive family and friends, on the other hand, appear to be crucial. Studies have found happier people tend to socialize more.

Seligman argues that there are three essential components of happiness. First, there's the ability to savor life's pleasures. Second, there's a true engagement with one's work, avocations, loved ones, etc. Third, there's the sense that one is serving a larger purpose beyond one's self.

When we look at happiness in the context of organizations, which is a focus of a new field called positive organizational

scholarship, we see it may have significant business implications. The research of one professor, for instance, indicates that happiness may be responsible for 10% to 25% of variations in work performance. If that's true, an organization could suffer an enormous loss of productivity when unhappiness becomes widespread in its workforce.

Some researchers have also looked specifically at engagement, which is associated with happiness in the Seligman model. The Gallup Organization has estimated that actively disengaged employees—who make up around 19% of the total U.S. workforce—“miss an average of 3.5 more days per year than other workers do, or 86.5 million days in all.”

Managers can influence workers' sense of engagement by focusing on two major factors, noted Ed Gubman, founding partner at Strategic Talent Solutions, at HRI's 2005 Issue Management Conference. One factor is “what you do,” especially the closeness of the match between a person's skills and their actual job. The other factor is “where you do it,” meaning the larger work environment. That environment is influenced by culture, leadership, reward systems and other issues.

Are there any business drawbacks to worker happiness? Perhaps. For example, there are some scholars who argue that society would need to “clamp down on such stress-inducing practices as performance-related pay” and “take firmer measures to guarantee job security.” In other words, greater happiness among workers may require less happiness among some employers, a dynamic that is bound to leave somebody feeling blue.

Mark Vickers is editor and research analyst for HR Institute. For more information, visit www.hrinstitute.info

Running Your Meetings Smoothly

Having a clearly defined purpose isn't the only thing needed for a successful project team effort. You need to have ground rules that will ensure how discussions are controlled and how disruptive behavior is handled.

Among the questions that such ground rules should address are:

- Where and when will meetings be held?
- How will emergency meetings be handled?
- How long will meetings last?
- How will decisions be reached?
- How will the team network with others within the organization?
- How will the team report to the sponsor or senior management?
- How will the team handle conflicts and disagreements among its members?
- Will the team evaluate each session after the fact to help improve subsequent sessions?

As the team leader, you should work with your team to set the ground rules. To stimulate discussion, you might come with some questions prepared in advance. But you should encourage the team to formulate its own rules. When members write their own ground rules, the rules are more likely to be observed.

Here are some sample ground rules:

- All meetings will begin and end on schedule.
- The position of chair will be rotated.
- Discussion time will be limited to that set on the agenda.
- Meetings will be held every second Tuesday, from nine-thirty to eleven, in the conference room.
- A few days before the meeting, members will receive a copy of the agenda and handouts to be read before the discussion.
- The focus will be on issues, not personalities.
- Only one member will talk at a time.
- Decisions will be made by consensus.
- The group will evaluate each meeting, to determine progress toward its objective and the quality of the meeting itself.

For more help in running a project or managing a meeting, check out AMA's management and project management seminars at www.amanet.org/seminars



Here's what you'll find on the
AMA Members-only Website www.amamember.org

PROFESSIONAL DEVELOPMENT

Business Lessons from a Fighter Pilot.

What can a businessperson learn from a fighter pilot? For one thing, planning for every possible contingency can save your life—literally and figuratively.

LEADERSHIP

Finding Your Own Leadership Style.

When it comes to leadership styles, one size doesn't fit all. If you want to achieve true greatness, stop imitating others and start taking advantage of your own unique strengths.

MANAGEMENT

Tips for Gen X Managers. As more Generation X workers rise to managerial positions, older workers may find that their

bosses are the same age as their kids. Here are some ways younger managers can help smooth the way toward better work relationships between the generations.

HR/TRAINING

Lunching and Learning—A Perfect Combination.

Bringing employees together for a lunchtime program is an effective way to foster good will, cooperation and team spirit among employees.

GLOBAL PERSPECTIVES

Global Trends Relating to Workers with Disabilities.

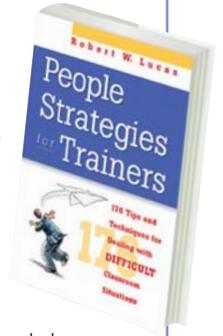
The number of disabled workers in the U.S. and around the world is rising, presenting unique challenges and opportunities for business and government.

Book of the Month:

People Strategies for Trainers—176 Tips and Techniques for Dealing with Difficult Classroom Situations (AMACOM 2005).

Robert W. Lucas's new book presents effective strategies for dealing with both "troublemakers"—talkers, inconsiderate participants and class clowns—and people with special needs—learners with disabilities, people for whom English is a second language, older and younger learners and shy people.

For more information about this book and AMACOM's extensive catalog of business titles, visit www.amanet.org/books



AMA Conferences/Special Events Calendar

SEPTEMBER 13-14, NEW YORK • World Business Forum: Ten Leaders. Two Days. One Forum.

Hear different ways leaders can transform themselves and their organizations to thrive in the increasingly complex global business environment. Radio City Music Hall. Special AMA price \$1,595.

SEPTEMBER 16, NEW YORK • Dealing with Crisis

—How to change the "thinking" when dealing with a crisis. It is not enough to have business continuity and crisis management plans. There are seven competencies that companies must develop to deal with what is now a virtual certainty. Members \$25, Nonmembers \$50.

SEPTEMBER 18-21, SAN DIEGO • 13th Annual Administrative Professionals

Conference—Dynamic keynoters, valuable skill-building sessions and learning from peers. Manchester Grand Hyatt. Go to www.apcevent.com

SEPTEMBER 29-30, LAS VEGAS • Corporate Branding 2005

—Marketing professionals share leading-edge branding strategies and insights. Caesars Palace. Members \$1,795, Nonmembers \$1,995.

OCTOBER 5, NEW YORK • Coaching Secrets That Top Executives Depend On.

Learn tips from a panel of coaches who will help you master learning and behavioral changes to leverage your position in the workplace. Members \$25, Nonmembers \$50.

OCTOBER 14, CHICAGO • 4th Annual China Forum: Doing Business in Today's China—

Intelligence professionals share insights. Members \$1,195, Nonmembers \$1,395.

OCTOBER 20-21, LAS VEGAS • Sales Leadership 2005

—A timely executive-to-executive exchange of ideas on how to use leadership to inspire your sales force to peak performance levels. Caesars Palace. Members \$1,695, Nonmembers \$1,895.

OCTOBER 31-NOV. 4, NAPLES, FLORIDA • AMA's Course for Presidents and CEOs.

A unique learning experience to reflect...regain focus...and hone the leadership skills needed to move business forward. Members \$4,500, Nonmembers \$5,000.

For details and to register for any AMA event, go to www.amanet.org or call 1-800-262-9699.

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