

# Wills at War

"Conflict Management Strategies for Insurance Premium Auditors"

By:

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**This book is dedicated to Insurance Premium Auditors everywhere. For all of you who have taught me so much, I'll be forever grateful.**

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**"Education is the ability to listen to almost anything without losing your temper or your self-confidence."**

**— Robert Frost**

I'd like to think I planned my career in premium auditing starting way back in my youth. In reality, when I was a kid, I wanted to be a professional pilot like several of my cousins. Unfortunately, I had a medical condition that precluded my pursuing aviation as a career. As for auditing, I started out in the same way most of you did – I stumbled into it backward.

Having graduated from the University of South Carolina in the mid-80's, I took a position with a local soft drink bottler out of sheer desperation for a job. It was a position I detested. Each morning I'd inventory my truck at 6:00 am before heading out into the world with the thankless task of stocking store shelves and vending machines.

Finally, it became more than I could take. An opportunity to work as a premium auditor arose with an outsource company in Charlotte, North Carolina and I jumped at the chance to exchange my drink truck for a company car and my uniform for a suit and tie.

Learning this new discipline was not easy for me. I had been a Journalism major in college and had struggled hopelessly through a year of accounting. Nevertheless, I figured it out over time. As I began to show some success my boss expanded my territory a bit.

One day, after about six months on the job, I was on a trip into one of my new areas when a policyholder just unloaded on me.

"You'd better not be like the auditor we had last year!"

I was taken aback. As the insured began to vent his frustration with the auditor I had replaced, I began to realize the entire situation was totally unnecessary. All the complaints he expressed with the prior auditor had nothing to do with the voracity of the audit itself. They had to do with simple courtesy and respect.

"He came in here and demanded a place to work," the frustrated insured told me. "At one point I found him sitting with his feet on my desk."

During the weeks that ensued, I heard more complaints like this.

Other insureds told me, "He made a long personal call to his girlfriend on my business phone...was late and never called...was disrespectful to my bookkeeper..." Well, you get the point.

I relayed the comments to my boss. He shook his head in dismay. That was the reason this auditor was no longer employed with our company.

For years after that experience as I trained many new auditors, I always made use of the opportunity to reinforce the importance of diplomacy in the audit process. An auditor can be flawless in their understanding of state rules, accounting, classification and the numerous other technical areas, but without the proper training in soft skills, their job can be a source of extreme frustration to everyone involved.

Several years ago, I was meeting with the VP of Premium Audit from a key national client. He told me that his greatest complaint with auditors had very little to do with their technical capacity. It had to do with the negative impact they could have on his policyholders, due to poor soft skills.

Insurance can be a thankless career. Most business owners see insurance as a necessary evil. In fact, amongst the general public, insurance people have some of the poorest reputations, right up with attorneys and televangelists.

As I've traveled by airliner over the years, I've found a good way to squelch a conversation with a chatty neighbor. Usually the conversation begins with them asking an all too familiar question?

"So, what do you do?" At that moment I decide whether I'm interested in a two-hour dialogue more than I am the book I'm reading.

If I decide I'm willing to talk, I'll say, "I work for a company that does investigative work." It's a slight stretch but proves compelling enough to generate follow-up questions.

However, if I'm tired or if I can tell the person is selling something, I'll just say, "I'm in insurance." Long pause – end of conversation.

As premium auditors, how do we contribute to that stereotype? It's the responsibility of each of us to reshape the way people think about our profession. We have a significant opportunity to do so. After all, auditors are one of the few groups that have predictable interactions with insureds.

As such, I took it upon myself to research and write the following booklet. I'll caution you that I am not an expert in the field of conflict resolution – merely someone who understands, from first hand experience, the importance of auditors attaining these skills.

I'd admonish you to consume the following text the way you would fish. Eat the meat and spit out the bones. If there is something you don't agree with or if you feel some particular strategy wouldn't work for you – simply ignore it. My

hope is that you will take away something valuable for your investment of time and having done so, you will improve your skills and as such, your company and our industry as a whole.

I'll also warn you that any discussion on conflict management will, of necessity, cover a lot of different sub-topics. This treatise is no different. In some cases you will find there is not a lot of specific advice contained in the material – it's simply an attempt to help you understand what we're dealing with.

Finally, let me stress that there is no magic wand to be waved over the issues we will attempt to confront. Only by developing a sense of purpose and self-awareness will we be able to slowly change our interpersonal skills over time.

Thank you for your interest in the material. I am grateful for your willingness to commit to continued self-improvement.

Myles Bancroft, APA, ALCM

**"In real life, the most practical advice ... is not to treat pawns like pawns, nor princes like princes, but all persons like *persons*."**

**- James MacGregor Burns**

Think, for a moment about the last time you found yourself in conflict with a policyholder. Now I'm not talking about a small difference of opinion over some obscure classification or a general exclusion – I mean an all out, full-scale rumble. For those looking on, it probably resembled an episode of Wild Kingdom with Jim Fowler wrestling a big snake in a muddy river somewhere in Central America.

In the interest of diplomacy, I'm going to state for the record right now that the entire "misunderstanding" couldn't have been your fault. Of that I'm certain. After all, we know how difficult people can be.

But just for the sake of reflection, I want you to think about what led up to the brouhaha in the first place. At first glance, it might appear to have been a simple disagreement that got out of hand. You were trying to stay above the fray but then things got personal.

Maybe it was just a bad day (I'll refrain from saying 'bad hair day' in deference to those of us who are yet to have a 'good hair day'.) I'd suggest that the whole thing might have started without warning – everything was going along fine and then...boom.

How did you feel when you first realized a storm was a brewin'? Did your palms get sweaty and suddenly there was that horrible knot in your stomach? Maybe your mind went blank and instead of responding the way you might have liked to, you pushed back verbally. Something in your head said, "I don't have to take this!"

Step outside the situation and view the episode like a third party would. Never mind who was right and who was wrong. What would you do differently if you had to do it all again?

Some years ago I had the assignment of managing our company's operation in the state of South Carolina. Like you, I'm a perfectly reasonable person and I avoid conflict when possible. One day a particular field rep was in the office writing up some work. I needed to make a business call but all our phone lines were busy.

My office manager was on one line with a client and our receptionist was also taking care of a customer service issue on another. The field rep happened to be talking to his fiancé on the only other phone line we had at the time. In

my typically diplomatic fashion, I asked him to give up the line so I could make my call.

What ensued over the next 15 minutes was the equivalent of throwing two cats into an oscillating fan. I don't know how it happened. One minute I'm a bit frustrated – the next there's an all out shouting match in the hallway. Since I took notice of the fact that his name was somewhere below mine on the organizational chart, I escorted him to the front door and unceremoniously tossed him out.

Heart pounding and fists clenched, I stormed back to my office and slammed the door. As I sat there reflecting on the situation, I basked in the knowledge that I was right and he was wrong. If you had asked me exactly what had happened, I would have been hard-pressed to say – only that good had triumphed over evil.

A few days later when my blood pressure had returned to near normal my Office Manager approached me about the conflict. She was an even-minded soul who was intensely loyal to me and rarely disagreed with the way I handled situations with reps.

"I think you were wrong," she said as I sat staring blankly back at her. "I'll agree that he might be wrong 364 days a year but this one was your fault."

I was crushed by her allegation. How could I have been wrong? I simply asked him to give me access to the phone. After all, I signed the bill for it every month. Wasn't it my right? I mean *wrong* is a tough thing to take.

Two weeks later the rep quit. He took a job doing something he didn't really want to do because the trauma of the episode had damaged our relationship irreparably. Even though the tapes I can still run in my mind clearly show I was right, I have to trust that I wasn't. As demonstrated by instant replay in the NFL, sometimes it's hard to get the call right in the heat of battle.

Public speakers often use videotape to view back their presentations. Often it's the use of a particular word, or a mannerism that detracts from your message. It's something you can't see from inside your own head. It takes viewing it from the standpoint of a third party to get the call right.

I say all this to make one simple point – if you are serious about improving your batting average when it comes to avoiding and defusing conflict, you're going to have to be willing to take an inside look. In order to modify our thinking, let's begin by examining the subtle benefits of conflict in our lives.

**"Pride is concerned with *who* is right. Humility is concerned with *what* is right."**

**- Ezra Taft Benson**

### Conflict's Hidden Values

**A**s a manager, I constantly worried about auditors who *never* received complaints. In the business of premium auditing, if you never ruffle any feathers, you're probably not doing your job. That's not to say that if you ruffle everyone's feathers you have reached the heights of success.

You see, conflict can have its' benefits. For one thing, one conflict normally immunizes us a bit against the next one. The mere physical toll it extorts is enough to encourage some learning.

Years ago I heard someone suggest an innovative social solution. He felt that everyone should be endowed with one free murder at birth. You could use it whenever you'd like, without consequence – but just once.

Can you imagine how much more gingerly we'd behave on the road toward fellow travelers if we didn't know if they'd used their free murder or not. Let me tell you, I might not be so liberal with the car horn.

The threat of conflict has somewhat of a calming effect on us. Those of us who have been through a divorce (or divorces – people learn at different speeds) understand two things: that relationships can go badly -and- just how badly they can go.

I've heard many men say, "I'll never treat my second wife the way I did the ex. It's just not worth it." There seems to be some value in reflecting a bit on past failures. The key is in being able to see oneself as part of the problem. If I am convinced beyond all rational thinking that I contributed nothing to the conflict, I have no hope of learning.

I understand that relationships with policyholders are not the same as those with our family or friends. We don't have to live with the former. Nonetheless, it's crucial that we don't dehumanize the people we are working with each day. All too easily, insureds can turn into simple work orders.

In summary, the threat of conflict acts as a guardrail that keeps us from venturing beyond the boundaries of acceptable interaction. It sets up a line of demarcation between what we'd like to do and what we choose to do. That's the true definition of maturity. Kids, if unrestrained, do what they want to do – adults (those who have truly "grown up") do what is right.

Now you're not even listening anymore, are you? You're sitting there thinking about how you'd use your free murder. See I know how an auditor's mind works.

Before we go any further, it seems timely to look into the root causes of conflict, to dig down and find out why we sometimes feel and behave the way we do. In order to accomplish that, we have to understand two things about ourselves, how we work – both mind and body.

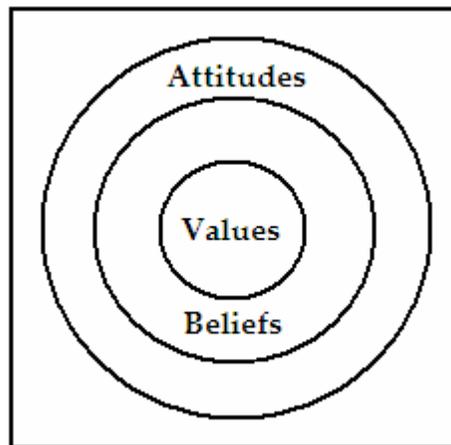
**"If you wish to make a man your enemy, tell him simply, 'You are wrong.' This method works every time."**

**- Henry C. Link**

Conflict, Plain & Simple

Let's take a few minutes to examine the root causes of conflict. In general, conflict arises when there is a clash of values, beliefs, attitudes or needs. The more closely we hold to one of these, the more threatened we feel when it is under attack.

Psychologists tell us our psyche looks something like this:



(No, this doesn't mean I think you're a big square with a target on your back.)

Actually, this graphic represents the significance we ascribe to our attitudes, beliefs and values. Each of these has a significant impact on the way we deal with other people.

We hold a vast array of attitudes. Attitudes are "our predisposition to respond to people, ideas and objects in evaluative ways." If you follow public opinion polls, you will see that we change these with some frequency. One new bit of information can rearrange our attitudes significantly.

We also possess a number of beliefs. These are more strongly held than our attitudes. Beliefs are "the way people perceive reality to be." They would represent things like your political affiliation or your feelings about social justice.

Our values, on the other hand, are the inner core of who we are. Values are "people's most enduring judgments about what's good and bad in life." My values represent me. My values may be good or bad but they are unshakably

"me". They also shape how I see myself - and heaven help the person who tries to change my values.

As you look at the "target" above, recognize that the further you penetrate the rings inside, the less chance there is for change. In other words, we are less likely to modify our beliefs than we are our attitudes. We are much less likely to amend our values than either of the other two. In fact, it is our values that form the skeleton upon which our beliefs and attitudes are suspended.

If I impose on someone's values, of necessity, this will impact their beliefs and their attitudes will follow suit. Since I'm not a psychologist and my mind does better in the concrete world, let's take a moment to put some flesh on this mass of theory.

A core value for most business owners is financial security. It's something they desire and when they have achieved it, will defend at almost any cost. It's this value which causes multi-millionaires to commit crimes in order to protect a few thousand dollars (yes, even a few hundred).

As an auditor, I am a threat to that value. The impact of my work may result in a large A.P. bill from their insurance company, which they likely hold in contempt already. As goes the value, so go the insured's beliefs and attitudes.

A predictable belief, based on the insured's value of financial security is that no one has the right to randomly take away their money. I'd say this is probably a fair belief. They believe in the right to pursue happiness and anyone who stands in the way of this pursuit is seen as a threat.

Then come the attitudes. That's the response to this threat. In reality, the insured's attitudes are not unlike our own. How many times have you found yourself saying, "Hey, I'm just doing my job"? Your value of being able to earn a living without getting a bunch of grief is exactly the same as that of the insured.

"So what?" you ask. "How does this help me avoid conflict?"

Understanding the laws of aerodynamics was the first step to man being able to fly. In the same way, understanding values, beliefs and attitudes is the first step to working in an environment where conflict is just one word or non-verbal expression away.

In the following section, we will examine how our human physiology contributes to our feelings and attitudes during times of conflict. Many of the symptoms we exhibit when tempers flare are quite predictable and understanding them is useful in being able to respond appropriately.

**“Courage is being scared to death – but saddling up anyway.”**

**- John Wayne**

### The Physiology of Conflict

The human body is a wondrous organism. First and foremost, it is built for survival. Everything from our ability to communicate to our intricate nervous system is set up to prolong our lives in a world that is fraught with peril.

In a real sense, we are run by an exquisite bit of software. Since danger is all around, part of that software is designed to help us recognize and deal with the dangers we face on a daily basis, whether that be crossing a busy intersection or disagreeing on a particular issue with our boss.

When threatened, human beings are programmed to respond in one of two ways: fight -or- flight. It isn't something you have to stand around and reason through any more than you "reason" through withdrawing your hand when you mindlessly set it on a hot stove. It's a reaction!

At some level, there must be some quick assessment of the situation. Most people don't choose "fight" over "flight" (or visa-versa) in every instance when threatened. There is a moment when a decision is taken, based on the size of the threat.

Nothing is more amusing than seeing a Chihuahua who has never had the advantage of looking into a mirror. Unlike most humans, they'll gnaw on your ankle, oblivious to the fact that you could just kick them into the next county. Perhaps they're well endowed with the predisposition to fight. Whatever the facts, they don't have the same level of "flight" programming that we do.

Along with our "coping" software, we have some physiological assistance. Whether our choice is fight or flight, something occurs in the human body, which allows us to take action. That "something" is called adrenaline.

Adrenaline is a hormone secreted into the bloodstream by the adrenal gland, which is located near the kidneys. It has an amazing effect on the human body. There have been documented instances of people gaining superhuman strength under the influence of adrenaline.

Some of the other common effects of the hormone are increased heart rate, increased breathing, heightened senses of vision and hearing, time distortion, pupil dilation, pre-fight shakes, dry mouth, profuse sweating, voice quiver and nausea. These are all part of the mechanism the body uses to prepare itself for action.

I never understood the full effect of adrenaline until a few months ago. At that time I had surgery to fix a nerve that controls heart rate. The entire four-hour procedure was done while I was fully conscious. In order to increase my heart rate, the cardiologist injected me with adrenaline. In a fully resting state the hormone caused my heart to pump at 240 beats per minute. That's about four times the normal rate.

After a few minutes I could feel the effect of the adrenaline. I became highly agitated and (how can I put this delicately?) suddenly, the effect of the hormone on my kidneys was profound. I found myself 120 miles from the next rest area. (Hopefully, this is an explanation all premium auditors can relate to.)

You might be saying, "That's very interesting. What does this have to do with conflict management?"

In reality, it has much to do with it. Some of the symptoms I listed above are all too familiar to many of us. At the first sign of conflict, we begin to stammer and sweat. There's a knot in our stomach and we seem to be gasping for air. It's critical to understand this is a natural, human response.

In extreme instances, we may even face what Churchill referred to as "the black dog." That's an intense fear of failure, inadequacy or loss. Typically, this is when we are most likely to pack up the laptop, tuck tail and make a run for the high weeds.

World War I fighter ace Eddie Rickenbacker once observed, "Courage is doing what you are afraid to do. There is no courage unless you're scared."

Understanding these symptoms is a large step toward facing conflict. It might be easier to set our auto-pilot on "flight", opting to run when things get sticky but it's a sign of maturity to face conflict head on with diplomacy.

One way to overcome the effects of adrenaline is through sheer will. It's an easy solution to agree on when all is calm. When conflict arises, it becomes a lot tougher.

We are left to fall back on simple communication. Communication is a vast subject, about which many graduate theses have been written. Our examination of the topic will be considerably less than what you could find if you have an internet connection or library card and an interest in learning more.

What I intend to do is give you a 20,000 foot fly over the subject so you can see how communication plays into our ability to deal with conflict on a daily basis.

**"The basic building block of good communications is the feeling that every human being is unique and of value."**

- **Unknown Philosopher**

### Communication in All Its' Forms

In any discussion about conflict, it's worthwhile to investigate the power of communication. Communication comes in two factory colors: verbal and non-verbal.

#### Verbal Communication

There used to be a radio spot advertising a vocabulary improvement program that began by saying, "People judge you by the words you use." How true that is. We are judged, to a great extent, on whether we are intelligent, capable and even trustworthy, by our speech.

In the field of premium auditing, much of what we do is verbal. Whether it is setting up appointments or interviewing the insured, we are faced with the opportunity to set a good tone that can carry through the rest of our interaction with the policyholder.

Volumes have been written on the various aspects of verbal communication. It isn't my intent to plunge into the depths of topic in this booklet. Suffice it to say that words have an immense impact on us. We rely on them to communicate specific thoughts about our lives and the world we live in.

I have a particular interest in language because my mother is a linguist by training. Did you know that languages are broken into two distinct groups - tonal and stress? In tonal languages, a word can be said with a slightly different tone and have an entirely different meaning.

English is a stress language. We stress certain words in speech in order to clarify our meaning. Let me give you an example of this. As you read the following sentence, give special emphasis to the underlined word.

*You are not going to the party tonight. (But someone else might be?)*

*You are not going to the party tonight. (In no uncertain terms.)*

*You are not going to the party tonight. (I expect you to be somewhere else.)*

*You are not going to the party tonight. (But maybe you can next week.)*

This, along with general tone, makes written communications difficult to interpret. Have you ever read an e-mail from someone and wondered if they were mad at you? If you read it one way, it seems they are but if you apply a different tone to the same words, you become convinced they aren't angry at all.

Those who know us best typically understand the "language" we speak. They listen to our words and inflections and can gain a good sense of our thoughts, mood and general state of mind. For strangers, the task is a bit more difficult.

For that reason, it is critical that we do everything within our power to communicate the verbal message we are trying to get across. That means opening up some potentially jammed doors by being friendly, open and honest.

I hate telemarketers with a purple passion. They always call when I'm in the middle of my favorite TV show or when I have my mouth full of food. In general, I'm pretty good at getting them off the phone.

There is one type of telemarketer I can't resist though. That's the one who calls and treats me like I'm his long-lost friend. I stand there, knowing full well it's a ploy to get me to change phone providers, buy exercise equipment, join a time share or whatever. Nevertheless, he's just too nice to hang up the phone on.

He'll ask me about the weather and whether I had a good weekend or not. How can you mistreat someone like that? In short, he understands that words have an impact. It takes just a minute to be cordial and that can make all the difference in the world between success and failure, particularly in a thankless job like ours.

At the beginning of this book, I made the contention that there is no magic wand to cure all problems relating to conflict. I will briefly retract that statement in order to relay to you some magic of another sort.

As kids, we were taught a list of "magic" words. Our parents taught us to say "please", "I'm sorry", "excuse me" and the mother of all magic words – "thank you". (As adolescents, we had those words inexplicably extracted from our vocabularies.)

As adults (chronologically and emotionally) we rediscover these words and they gleam as never before with all their magical powers. This typically happens when we get our first life-sustaining job. The boss walks into our office and suddenly we're five years old again. "May I *please* have next Friday off?"

Somehow this courtesy of speech doesn't always translate to our spouses or co-workers (insureds, in this case). Since we don't perceive these people to be in control of our lives, we have a tendency to treat them with less respect.

It's an odd thing – over the years I've discovered that it's almost impossible to overuse the word "Thanks!" People will help you, cooperate with you, defend you and even collaborate with you in criminal enterprises for a simple word of "thanks."

*"Thank you for your time."*

*"Thank you for meeting with me on such short notice."*

*"Thank you for choosing Acme Indemnity for your insurance needs."*

*"Thank you for de-clawing your cat (since he's using my leg as a scratch post while I'm sitting here calculating your overtime.)"*

You get the point. "THANKS" is a big word. It has to be used with sincerity, but when it is, expect great things to happen.

One final thought on verbal communications. One of the best ways to make a connection with someone is to mirror their speech patterns. We'll talk in more depth about mirroring when we discuss non-verbal communication but it bears a mention here.

If someone speaks slowly, make an effort to speak slowly. If they use short, direct sentences, do the same. If they indicate an interest in learning about you, take a few moments to exchange some small talk and be sure to be inquisitive about their interests as well.

One caution – avoid profanity or coarse jokes at all costs. It doesn't matter what the other person deems appropriate language, this diminishes your professionalism and compromises your character and the image of your company. Be real and be friendly – do it in a manner that your mother would appreciate.

### Non-Verbal Communication

Think for a moment about how many times have you walked down a busy sidewalk and approached someone coming from the other direction. Have you ever seen them coming but walked headlong into them because you weren't sure which route they were going to take? I'd be surprised if that has ever happened to you. Why? Because we have ways to communicate our intent with others, which we subconsciously began to learn from birth.

You may not know how you do it, but somehow you pull it off. I'll let you in on your secret. Consider it the next time you have this happen.

Two people approach each other, on foot, from opposite directions. They are challenged with the task of passing without trying to occupy the same space (crrrrunch!). The first person to notice the dilemma normally looks at the other person until they make eye contact.

Immediately, the first person (who is now in charge of coordinating a safe passage) will LOOK in the direction they intend to go. That look tacitly tells the other pedestrian, "I'm going this way – you go that way." Pretty amazing, but it works.

Non-verbal communication, better known as "body language", has been studied by social scientists for many years. Body Language is defined by Merriam-Webster's Collegiate Dictionary as:

*"...the gestures, movements, and mannerisms by which a person or animal communicates with others."*

Although there is still much to be learned about body language, most of us intrinsically understand it. Researchers tell us the human body can produce over 700,000 unique movements. These movements can be put together to form 60 discrete and symbolic signals and around 60 gestures. (Robert C. Brenner, MSEE, MSSM)

Believe it or not, 55% of what you say is through body language and as much as 93% of your emotions are communicated non-verbally. In other words, what we say through our actions is far more powerful (and credible) than what we say through our words.

If body language speaks louder than the actual words we use, it is important to understand what message we are sending to people. Sounds easy, huh?

"Corporate psychologist, Ben Williams, says: ' You have a 'vocabulary' of about 138,000 non-verbal and visual cues, but you can only control about 150-200 of them – and you can only do that for about 15-20 percent of the time.'" (Source: "What Body Language Says", Hilary Freeman January 9, 1999)

Wow, that sounds pretty futile. Let me depress you even more. You might be saying to yourself, "Hey, I'm intelligent. I think I can do better than that."

Research shows that the opposite is true. The more intelligent the communicator, the more focused on words they are and the more they ignore

their body language. Have you ever listened to Henry Kissinger being interviewed? (Zzzzzzzzzzzzzzzzzzzzz)

Again, all the information available on body language would fill a library. I will give you a few tools which, I hope will be useful as you work with policyholders and agents on a daily basis.

Let's begin by introducing the **ROLE** principal:

**R**elax, **O**pen, **L**eaning, **E**ye Contact.

**R**elax – It is key to good communication for both parties to be relaxed. Often this is difficult in instances where there is a disagreement or tension present. Take a few deep breaths (but don't sigh or huff). If you are standing, unlock your knees. It is a tendency for people in stressful situations to lock up and become rigid.

Remember what you were always taught about dogs as a kid. "Don't run from them or they'll bite you." The same is true of people, especially aggressive people. Stand your ground but relax. Smile and use a calm tone of voice. In time, this will generally decrease the tension.

**O**pen – You want to maintain an open posture. This signals you are willing to communicate or negotiate. Open body language comes in a variety of forms.

Some common ones are:

- ✓ Leaning Forward – Says, "I'm listening"
- ✓ Nodding – Says, "I understand"
- ✓ Head Tilted (when listening) – Says, "I'm interested in what you are saying."
- ✓ Open Palms – Says, "I believe you"

A few to avoid:

- ✓ Pointing Finger at Listener – Very aggressive. Listener will shut you out.
- ✓ Hands Behind Head Leaning Back in Chair – Egotistical, Superiority Complex
- ✓ Hand on Neck (remember this one?) – Says, "You are a pain!"
- ✓ Chin on Hands (how about this one?) – Says, "Booooooring!"

**L**eaning – Leaning forward communicates interest and acceptance. Remember how much it hurt as a child when someone didn't want to sit next to you on the school bus? As adults, we respond to others, to a great extent, based on our experience – even experiences that go back many years. When someone leans toward me, I infer they are accepting of me. When they push back, it makes me think there must be something seriously flawed about me.

**Eye Contact** – It has been said the eyes are the windows to the soul. We use eye contact to evaluate other people's trustworthiness. When someone won't look at us, we tend to think they are dishonest. It also reveals they may be intensely nervous. Neither of these messages are productive ones. On the opposite end of the scale, avoid staring. Very little is creepier than someone who maintains long periods of eye contact without looking away. It makes you think they know something they aren't telling you.

So that's the **ROLE** principal. Hopefully it will help you remember a few basic truths about positive body language. Keep in mind no one is perfect at this.

I'd encourage you to practice these concepts, as you have a chance, and see if you get more positive results.

### Mirroring

There is a technique called "tracking" or "mirroring" that appears to have some value. First of all, it's important to know "mirroring" is a natural part of the non-verbal process. It indicates maximum communication with the other person. When we are "in sync" with another person, we do it without thinking. But even when done consciously, it has good results.

Imagine you are interviewing an audit contact and they are exhibiting positive non-verbals to you. They are quite relaxed and are breathing and talking slowly. At some point, they cross their leg and shift positions. What you want to do is as inconspicuously as possible, mimic their patterns. You, too, should be breathing and talking at the same rate that they are. Slowly cross your leg to match their action.

Once you have done this for a while, you should begin to see them mirroring you. In other words, their actions will start to track with yours. This will tell you that they are psychologically "open" to you.

If you find the other person is exhibiting closed or negative non-verbals, do what you can to open them up. Slow down your speech pattern, smile and use the **ROLE** principle with them. This provides the best opportunity for you to win them over and guarantee a successful interaction.

### Non-Verbal Miscellany

There are a few miscellaneous items that should always be kept in the back of your mind.

**Handshakes** – People communicate a lot with a handshake. As a Southerner, I was always taught that a man should never offer his hand to a

lady unless she offered hers first. Things have changed a lot in the past 20 years. Even so, be mindful of cultural mores and above all, be appropriate.

Handshakes should be firm but never crushing. Most people prefer a solid handshake to one that is limp. But no one likes the discomfort of having their fingers dislocated, much less the non-verbal message, "I'm superior to you." Also, keep your hand perpendicular to the floor. Underhand shakes convey weakness and overhand shakes the opposite – POWER or AGGRESSION. Covered handshakes (underhand with your other hand covering the other person's) are for old ladies at funerals. These are never appropriate in business.

Use two pumps, up and down and let go. Extended handshakes convey the same message as the notorious "crusher". Men should be mindful that some women have adopted a shake where they curl their ring finger and pinky back toward their palm to prevent hand injury. (Keep in mind that some rings can cause pain during handshakes.) This tactic is not usually meant to send a negative message, it's merely self-preservation.

**Dark Glasses** – Take off your sunglasses. They convey dishonesty. Don't let something that simple impede communication.

**Hands in Pockets** – This is one that's tough for me. It's a comfort thing. Unfortunately, hands in pockets can convey secretiveness or hidden agendas. They can also indicate a lack of confidence. Keep your hands in full view.

**Unbuttoned Jacket** – Unbuttoning your coat or jacket indicates openness. It is similar to rolling up your sleeves in that it expresses a willingness to negotiate, get down to business or handle the tough issues.

**Touching** – Some business consultants encourage touching as a way to convey trust. For example, when someone touches us on the arm as they make a point, we know that they are accepting of us. Even in light of the possible benefits, you should really avoid touching. It's a ticking time bomb. No matter how innocent, it can blow up in your face.

**Gestures** – It bears a mention that gestures are culturally diverse. One hand gesture (such as the "A-OK" sign) is perfectly appropriate in the United States but is considered obscene in Italy and Latin America. With the diversity of our U.S. culture, it is important to understand with whom you are working and what "signals" you are sending them. A misunderstanding of the proportion described above could have an ugly outcome.

What we say to other people is not limited to the words we use. Remember that the most credible messages we offer are the non-verbal ones.

Subconsciously, we tell others what we are thinking and feeling and we don't even realize it.

Do you want to have an easier job? Do you want to get better cooperation from insureds and agents (and maybe your boss)? Improved communication is the key. In order to improve your communication skills, you have to focus on the verbal and non-verbal alike.

Body language is an enormous part of how we communicate acceptance, frustration, accommodation, rejection, favor, openness and skepticism with one another. How does this all relate to you? Well, how much of your job is winning the trust of other people? Remember that we're selling everyday – each one of us represents our company, either well or poorly, in the way we treat our ultimate clients.

In order to sell yourself to the people you work with; to a small degree your co-workers, and to a greater degree insureds and agents, you must understand both how to interpret body language as well as how to use body language to win their trust and defuse conflict.

**"Nothing grows well without space and air."**

**— Patricia Monaghan**

### Privacy and Proxemics

The right to privacy is something we hold dear in our country. In many cultures, there is no expectation. I remember visiting Hong Kong when I was 10 years old. Still impressed upon my mind are the countless millions of people, who lived there, stacked like cord wood in their shanties, houseboats and cramped downtown apartments. To them, privacy was a "foreign" concept.

But in our world, privacy is expected. We even took the extreme measure of ensuring it under our constitution. Often we live right next door to people we don't even know, coming and going at our leisure, protected by our carefully guarded social mores of privacy.

In large part, this carries over to our daily business lives. Policyholders have an expectation of privacy when dealing with premium auditors. How many times have you had an insured refuse to give you the individual salaries of officers, or have them summarized separately because the bookkeeper wasn't privy to that information?

Privacy has some far-reaching consequences when it comes to a discussion of conflict management. The most obvious suggestion I can make is to take a pro-active approach. Specifically, the following items would be a good first step toward protecting the privacy of your policyholders:

1. Always be discrete when discussing audit figures with the audit contact. Never discuss someone's salary aloud when other employees might be near and could hear you.
2. Protect payroll records with your life. Be careful not to let passersby see what you are working on. Also, if you need to take a break, be sure to secure the records during your absence.
3. When you are done with the audit, return the records to the person who gave them to you. Never leave them in an area accessible to others, such as a conference room, unless you are instructed to do so.
4. Don't fall into the trap of taking records or copies of records home with you. Even if the insured suggests you do so, you're opening yourself up to an additional responsibility of returning or destroying them properly.
5. This point may seem obvious, but is more common than we'd like to admit. Never discuss what you see on audits outside of your duties as an auditor. It's not your spouse's business what the owner of the local car dealership makes in salary.

When it comes to privacy issues, prevention is the best cure. Untold numbers of conflicts have occurred when an auditor was indiscrete with the financial information of their client. You cannot measure the amount of grief you will avoid by being careful to respect the insureds' privacy and by caring for their sensitive information.

Have you ever been sitting in a co-worker's office when, out of the blue, his phone rings? He answers it and you immediately detect the person on the other end, is his spouse. You try to make a graceful exit to give them privacy but he motions for you to stay put, which you do.

The call drags on and you begin to feel uneasy. For some reason you reach over to their side table and pick up a magazine. You flip aimlessly through the pages, never digesting a single word but carefully avoiding eye contact with your co-worker. You don't know why but somehow this makes you feel a little less like an intruder. What's that about?

In 1963, Edward Hall coined the phrase "Proxemics". This is the study of human spatial issues. The reaction we have in our co-worker's office is all about proxemics. We have a need, even a compulsion to communicate our respect for the other person's privacy.

By looking at the magazine and not listening in on the conversation (even though we can hear every word that's being said), we are declaring to the other person that we respect their need for and right to space and privacy.

Human beings are very territorial. Think about the last time you attended a multi-day business conference. The first day you enter the meeting room and stake out a claim to a seat – in your mind a piece of prime, grade "A" real estate. All day you carefully leave your belongings there, making sure that no one mindlessly invades "your space" while you eat lunch or are otherwise absent.

The second day, you return to the meeting room and what do you find? Some lummoX sitting in your seat! Immediately, you become annoyed. *They're in MY space*, you think to yourself. After all, they had to know you were sitting there the day before. Finally and begrudgingly you park yourself in someone else's space, to leave them fuming when they come in late to find you there.

We are creatures of habit, territorial monsters who defend our small piece of "space", almost to the point of insanity. You do it – I'll bet you do and I confess that I do it too. That being the case, we can assume policyholders do it as well.

Have you ever walked into your office or cubicle at work and found someone sitting at your desk? What was your response? The person, realizing they had

committed a serious breach of protocol probably apologized profusely. Your outer voice said, "No problem, stay where you are."

Your inner voice, on the other hand, was likely sharpening up daggers for war. We don't mess with one another's space. That's how civilizations are destroyed.

Auditors have a unique experience in that they are always - I mean ALWAYS working in someone else's space. Okay, sometimes it's the conference room but many times the bookkeeper puts you in the Sales Manager's office to work, explaining that he's out for the day.

The main thing to remember when this happens to you is...

**THIS IS NOT YOUR SPACE!** Treat it with extreme care. Don't move paperwork around and don't touch pictures, paper weights or the insureds' golf clubs.

Personally, I'd rather work with my computer on my lap than mess with someone's desk. I'm probably weird (although I have my doubts) but I don't want people messing with my stuff and I try not to mess with theirs. If you move a picture 1/8<sup>th</sup> of an inch in my space, I know it.

Remember the story about the auditor who preceded me on my first assignment, sitting with his feet on the desk? Based on what we're learning here, there could be no greater sign of disrespect. Obviously, this guy was a maroon. You can do a lot less and still cause conflict. My best advice is when working in someone else's office, handle it like fine china.

There's one more thing, which I'll toss in for free. You can tell a lot about a person by the way he or she arranges the furniture in their office. Some build a fortress with their desk against the wall and guest chairs across the desk. This will tell you that the person likely is fairly closed off to communication.

Others will have a more open and inviting arrangement, expressing their willingness to talk or negotiate with those who venture in. In regards to the former, don't ever make the mistake of walking behind that type person's desk. Major faux pas! They are sending you a message with the furniture arrangement - You stay on your side of the Berlin Wall and I'll stay on mine.

There is another component of proxemics, which has to do with personal space. I'll explain it this way. I have a 3-foot invisible ring around me at all times. Unless invited, I don't want anyone violating that ring.

We all understand this implicitly. That's why we hold our arms in close to our bodies on crowded elevators, so as not to bump the person next to us. It's

also why we face forward and look at the floor numbers clicking past so we won't be staring some stranger in the face at a uncomfortably close distance.

Personal space varies by culture. In all cultures acceptable social distances (how far I stand from you when discussing business) is quite different. In Latin America it's a lesser distance (18 inches, about half of ours) – in the Netherlands, it's more (4-5 feet). If you were to talk to someone from Holland at a cocktail party you might find yourself chasing them around the room as they attempt to increase the distance between the two of you.

I'm not going to belabor the point since there is much to be learned about Proxemics on the web. I'd encourage you to type the word into your favorite search engine and go surfing for an hour or two. You might be surprised what you learn – and I think you'll enjoy the ride too.

### The 595 (Five – Ninety – Five) Principal

When it comes to avoiding conflict you have to understand, there is only so much you can do. Peaceful co-existence is a two person Tango.

This brings us to what I call the "595 Principal". It won't help you defuse conflict, only anticipate it and be prepared for the inevitable few out there who are always spoiling for a fight.

In life there is about 5% of the population made up of wonderful, gregarious human beings. Some of these can even be classified as hopeless, crashing please-aholics. These are the ones who would give you the shirt off their back, whether you ask for it or not. They prize "acceptance" over anything else.

We love to do audits with this group. In fact it's hard to pry us away from them as they lavish us with every form of human kindness, followed by cookies and coffee. Every year when we see their audit requests show up, they go right to the top of the scheduling pile.

Then there are the 90% who make up the vast majority of folks we deal with every day. They are reasonable people, who do what they can to help but occasionally succumb to the pressures of heavy workloads and long days. When asked, they'll stop to assist and if they don't know something about the risk, they'll find someone who does.

These are the ones we don't typically remember all that well after the audit is done, mainly because they are so common. Under-appreciated by bosses and

auditors alike, this group slugs along in the trenches, not making waves but understanding that you just have a job to do.

The last group is made up of the ones auditors tell stories about over evening drinks with other auditors. They too, like our friends the please-aholics, are a minority; again about 5% of the population.

In reality, they're a sad group, probably abused as puppies and I'm sure greatly misunderstood. But all we remember about them is the ranting and raving, the cursing and the threats, oh my heavens – the threats! They assume battle stations the minute you walk through the door.

Let me extend some solace to you. IT'S NOT YOUR FAULT! I'm sure you know that, but it bears repeating. Some people are just plain mean. They thrive on confrontation, the bitterer the better. Like sharks, they sniff you to see if you have any nutritional value and if they determine you don't, they bite you anyway, just for the practice.

But it's important to know that these uncouth ruffians are not exclusive to the business world. In their limited numbers they exist everywhere. You probably have some in your homeowner's association, your school's PTA and yes – even your church.

The best advice when dealing with this group is to not take them too seriously. As hard as it is when you're dealing with one face-to-face, just remember life's way too short to allow people of this ilk to ruin it for you. After all, you rarely get two of them on the same day (of course, it's rare to roll craps 3 times in a row but it happens.)

Be diplomatic. Do what you can to struggle through all the noise and use the opportunity to practice your diplomacy skills. Open body language and a calm voice can sometimes set one of these maniacs back on the rails.

Finally, if you feel physically threatened, pack up the old IBM and move on. As you walk out the door, shake the dust off your feet. Don't be tempted to allow the bad vibes to carry over to your next appointment or to your family. Just like you don't deserve the ill treatment; neither do they.

### Keep Your Eye on the Ball

Many years ago I took a distance learning course on the topic of "negotiating". The instructor was California mega-realtor Roger Dawson. He related the story of being invited to England to view Wimbledon.

During the course of the tournament Dawson had the opportunity to see John McEnroe play another professional on center court. He was astounded to

see McEnroe's fiery temper on such public display. Every time the umpire's call went against him, he would yell and scream, often throwing his racket and whatever else was at his disposal.

Dawson commented that, in time, he found himself fascinated by the performance of the other player. He calmly went about the business of playing tennis, rarely questioning a call – exhibiting classic sportsmanship. As he marveled from his seat in the stands, the realtor suddenly had one of those "Aha!" moments.

He realized that the other player had discovered the secret to tennis – hit the ball where your opponent can't reach it and then anticipate where the return shot might be going. Tennis is about hitting a ball over a net and into a fair part of the opposite court. It has nothing to do with emotional outbursts.

The same is true of our jobs. Often it's easy to get involved in the ancillary activities. When confronted with a policyholder who is in a "McEnroe mood", think to yourself, *What is my goal here?* If the goal is to obtain the audit, there's no use in getting involved in anything else.

Some years ago I had an employee who had played football at the college level. Occasionally he would lose site of his goals as an auditor. Some unreasonable insured would attack him verbally and he couldn't resist responding in the same way.

In football it's a common practice to try to get inside your opponent's "head". When this occurs, it's too easy to focus on retaliation, rather than making the next play. Quite often, this leads to poor performance on the field and even physical injury.

I'd remind him of this occasionally when he would lose sight of the goal. As an auditor, it's not about "winning". If there are "winners" and "losers" at the end of the day, there can ultimately be no winners at all.

### What to do when Conflict Arises

So far we've been running blindly through a minefield of potential conflict catalysts. By now you might be thinking, *I'll never get out of this alive.* For those of you who have been in the industry for many years, you could be thinking one of two additional things. Either, *I don't know how I made it past my first week on the job -or- This is total hogwash. I just rely on my instincts and everything works out okay.*

It's true that most of us do this job on a daily basis, not over-thinking the possibility of conflict. I suppose that's good. But, remember that much of this can be attributed to the "595 Principal". Only a small percentage of the public is

really spoiling for a fight. The rest has to be antagonized or threatened in some way to get on their bad side. Even then, the latter group seems to deal with conflict in a more rational way.

So, this leaves us with the big question – what do we do when conflict arises? First of all, it's important to understand our part in the conflict. If we've erred in some way, the best thing is to just sincerely apologize. If I've been late to an appointment or failed to call someone back when I promised, I have to just lay that out and own the fault.

But what do I do when it's not my fault? I'm just doing my job and a confrontation ensues. This is where we have to be aware of the other person's feelings and point of view. Remember our discussion on values? For me, as an auditor, I'm thinking about and discussing mere words and numbers. For the policyholder, they are thinking about their financial wellbeing.

Marriage counselors tell us that one of the best predictors of a successful relationship can be found in a couple's ability to "fight fairly". Notice I didn't say "avoid conflict."

Disagreements are a part of life, like it or not. Most of us can handle disagreements if our egos aren't injured in the process. But we have to avoid (at all costs) the temptation of making the conflict personal. If I say, or even imply to an insured that their disagreement with my audit is an attempt at dishonesty, suddenly I turn it into a character flaw. That's totally unnecessary.

One strategy I have used and taught over the years is to communicate with the policyholder "**If you don't get your way, you'll still get your say.**" A practical approach to this is allowing the insured to put their comments into the notes on your audit. Type up, "The insured disagrees with the auditors classification of fill in the blank. His comments are as follows." Then hand him your laptop and let him type away.

This says to him, *Even though we disagree, I still respect your feelings and opinions.*

Another suggestion is to avoid being rushed. If an insured wants to vent, push your work aside, lay down your pen and listen. Never look at your watch. Doing this suggests you don't have the time for him. Often this will only take a few moments of your time then the policyholder will let you get back to work. If you fight it, you're just going to waste more time.

Above all, be respectful - always. Business owners invest their time, energy and treasure in their businesses. As citizens, we have an interest in their success. Remember that insurance is a means of ensuring that success. Don't let your attitude undermine the value our product brings.

When you find yourself in the middle of a conflict, employ the **ROLE** principal. It's somewhat counterintuitive to be relaxed, open, leaning forward and making eye contact when the fur is flying. Nevertheless, it works.

Premium auditing is a discipline. There aren't a lot of us in this world who do this job for a living. Remember it's about more than words and numbers. Building relationships will help your company sell, more effectively than any agent or account executive can do. And, don't be afraid to be real. It's your only hope for success.

### Aftermath

I've often said that becoming an effective auditor is like becoming an effective surgeon. Surgeons learn their skill by watching a procedure, doing the procedure and teaching the procedure to someone else. We too are constantly learning, doing and teaching. I'd encourage you to learn good interpersonal skills, practice them and take time to teach someone else.

I started this booklet with a confession. I'm no expert on any of these matters. That's no less true now than it was when I began my research. There are however, answers to the challenges we face all around us. It may take a little digging and possibly a few short courses at the "School of Hard Knocks". Still, we should be getting wiser by the day. If not, something's amiss.

Please take the time to share with me your thoughts on this or any other subject. If you have a story that I could use to demonstrate these concepts, please pass it on. Maybe you disagree with something you've read. I'm interested in that as well.

I can be contacted most expediently at my e-mail address:

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In the meantime, my wish for you is a happy and successful year of working and learning, free of conflict. All my best...

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