



Global  
Business Leadership

# SHAKING THE GLOBE NEWSLETTER

Courageous  
Decision-making in  
a Changing World



## Optimism or Overconfidence

Volume 3, issue 2

In some of my recent speaking engagements, participants have asked me to describe the “new normal” in the economy. These participants want to know how he or she can return to prosperity because the recent financial crisis and political developments seem overwhelming. It struck me that the questioners were implicitly asking when the situation would become better. I am an optimist, not simply because I want to be happy but because I welcome the opportunities that difficult times provide us to live boldly according to our core values. As you think about the value of being optimistic, I encourage you to make a distinction between optimism and overconfidence.

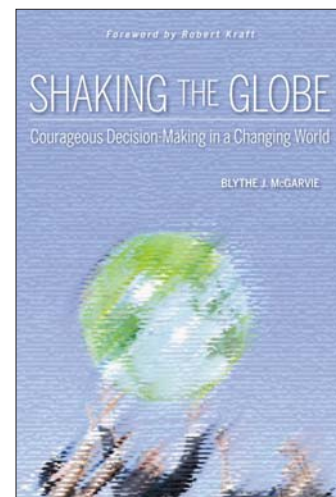
One of the most significant books in forming my optimistic attitude is Viktor Frankl’s *Man’s Search for Meaning*. I first read this book about 25 years ago and recently re-read it. Viktor Frankl lived in Vienna and had a chance to escape Nazi Germany when the American Consulate granted him a visa for immigration. He decided to let the visa lapse because he believed his duty was to stay in Germany with his elderly parents, who most certainly would be facing a concentration camp. He chose to stay, lost his family, was confined in a concentration camp, and survived the ordeal. Later, he wrote a book about the experiences. His Auschwitz experience reinforced what was already one of his key ideas: “Life is not primarily a quest for pleasure, as Freud believed, or a quest for power, as Alfred Adler taught, but a quest for meaning. The greatest task for any person is to find meaning in his or her life. Frankl saw three possible sources for meaning: in work (doing something significant), in love (caring for another person), and in courage during difficult times.”

Frankl wrote about an impromptu talk at camp to his comrades; he told them:

...human life, under any circumstances, never ceases to have a meaning, and that this infinite meaning of life includes suffering and dying, privation and death. I asked the poor creatures who listened to me attentively in the darkness of the hut to face up to the seriousness of our position. They must not lose hope but should keep their courage in the certainty that the hopelessness of our struggle did not detract from its dignity and its meaning....The purpose of my words was to find a full meaning in our life, then and there, in that hut and in that practically hopeless situation.



McGarvie with **Valerie Jarrett**, Senior Advisor to President Obama and former high school classmate.



Blythe McGarvie’s *Shaking the Globe*, with a foreword by Robert Kraft, was published by John Wiley & Sons in February 2009.



© 2010 Blythe McGarvie  
1-757-345-3595  
[bmcgarvie@LIFgroup.com](mailto:bmcgarvie@LIFgroup.com)

*I have had dreams  
and I have had nightmares,  
but I have conquered my nightmares  
because of my dreams.*

— Dr. Jonas Salk

We can control our reactions to a situation, even when we can't control the conditions. Knowing our purpose fosters perspective and helps us understand the "new normal." In today's context, the new normal is that we will be bombarded with lots of data and trivial analysis every day if we over-expose ourselves to the media barrage. On average, Americans watch 4 hours of TV a day. The media blitz is not limited to a TV; it comes via computer and via mobile devices. Each offers information, not understanding. One of the effects of over-stimulation or hearing the same news over and over is that we develop a distorted perspective. This can lead to fear, or the opposite, over-confidence. Studies in organizational development are starting to show that the main driver for becoming an entrepreneur is a self-assessment of one's skills, knowledge and ability. In a [study across 18 countries](#), the correlation shows that the higher the overconfidence in starting a business, the higher the failure rate.

*Before you attempt to beat the odds,  
be sure you could survive  
the odds beating you.*

— Thomas Fuller

Overconfidence can be discerned by patterns and brain research. A recent study titled *Boys Will Be Boys: Gender, Overconfidence and Common Stock Investment* [cited in the New York Times](#) "analyzed the investing behavior of more than 35,000 households using a large discount brokerage firm. All else being equal, men traded stocks nearly 50% more often than women. This additional trading drove up the men's costs and lowered their returns." The importance of these studies to me is not that men are more prone to overconfidence than women, but that overconfidence leads to failure: it promotes unreasonable and self-destructive behaviors.

Optimism is an attitude. Overconfidence is an error in calculating statistical probabilities. As you think about



McGarvie with [SEC Chairman Mary Schapiro](#) at the [Women in Finance Symposium](#).

optimism, understand your personal meaning in life. Confidence derives from understanding. And beware of over-looking the facts and probabilities. • • •

## Global Perspective: Items of Note



[Visit Blythe on Facebook...](#)

**Blythe McGarvie** to give keynote address at 85Broads.com [Women's Power Breakfast](#): "Courage: A Vital Ingredient for Happiness & Success." All attendees will receive a copy of Blythe's best-selling book, *Shaking the Globe: Courageous Decision-Makers in a Changing World*. Wednesday, April 07, 2010 7:00 a.m. - 9:00 a.m., Vanderbilt Suites, MetLife Building, 200 Park Ave. at E 45th St., New York, New York 10166. [Click for more information...](#)

**Virginia Lawyers Media** has included Blythe McGarvie in its [Class of 2010 of "Influential Women of Virginia."](#) This awards program recognizes the outstanding efforts of women in the commonwealth in all fields, including law, business, health care, education and the arts ([PDF](#)).

LIF affiliate [Cathy Higgins](#) releases her next *Straight Talk Coach*, "[Building the New Leadership Team.](#)"

LIF affiliate [Laura Martin](#) releases media company research reports on [CBS](#) and [Warner Music](#). Laura Martin is also featured in [New York Times](#) article, "Viacom and Hulu Part Ways" ([PDF](#)).

The *Shaking the Globe Newsletter* is written for decision-makers who recognize the critical importance of our interconnected world for financial stability and growth. Blythe has been called the "antidote to Lou Dobbs" because she shows how to strengthen, rather than weaken, our global community.

(URLs: [www.BlytheMcGarvie.com](http://www.BlytheMcGarvie.com) and [www.LIFgroup.com](http://www.LIFgroup.com))