

STYBEL PEABODY & ASSOCIATES



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**HOW TO "ADDRESS" A
BUSINESS PROBLEM THE
WAY A PROFESSIONAL
GOLFER "ADDRESSES" THE
BALL BEFORE THE STROKE.**

If you play golf you are familiar with the term “Addressing the Ball.”

Before ball and club connect, you need to be aware of your feet in relation to the ball. Will the ball be between your feet or near the toe of your left or right foot? Are you going to be facing the target after you strike the ball? Examine the club in your hands. Will the middle face of the club strike the ball when you swing?

Professional golfers often complain that amateurs spend too much time swinging the club at the expense of spending too little time on addressing the ball prior to that swing. How does his golfing analogy fit the world of leadership?

Example of Addressing the Problem.

Toni has suffered \$30,000 of damage to her apartment when a water pipe broke in the unit upstairs. Everything must be replaced.

How is Toni addressing the problem?

Toni’s attitude is “Insurance will not cover everything. I hate all the decisions that must be made. This is so unpleasant! I want this over with!” In our framework, she is addressing the problem from a liability perspective.

Toni could address the same problem from an Asset Enhancement perspective: “I didn’t ask for this damage. There will be pain. My time will be wasted. It is going to be expensive. When all this pain is finished, I will have a new apartment! Perhaps this might be a great time to sell the apartment or enjoy life in my new apartment. When the apartment is finished, I will have options that I did not have before.”

What is the right attitude towards business problems?

In a 2010 MIT Sloan Management Review, we argued that the Basic Accounting Equation serves as a useful conceptual framework to address most business problems. The Basic Accounting Equation is:

$$\textit{Assets} = \textit{Owners Equity} - \textit{Liabilities}.$$

That framework posits two ways of addressing problems.

The first approach is positive or Asset Enhancement. An Asset Enhancement perspective looks at what is working well. How could it work even better in the future? It assumes the world can always be improved and that “the sun will come out tomorrow.” Optimistic people are drawn to this way of thinking. They often find roles in sales, marketing and nonprofit development.

The second approach is Liability Reduction. A Liability Reduction perspective looks at costs and risks. It seeks to reduce both. It assumes that the world is a dangerous place. Pessimistic people are drawn to this way of thinking. They often find roles in audit, law, underwriting, and quality.

The Basic Accounting Equation is clear: after you factor in both ways of addressing problems (Assets-Liabilities), what remains is the value of your enterprise.

Balance is Good?

The Basic Accounting Equation assumes both sides of the equation are of equal importance. We thought it important that leaders be willing to look at problems from both Asset Enhancement and Liability Reduction perspectives.

In the article we advocated the use of “When I wear my Liability Reduction Hat I see this.....” but “When I wear my Asset Enhancement Hat I see this.....”

Ultimately decisions must be made that will load weight on one side or the other: the decision like striking the golf ball with your club.

We were clear in the article that a balanced perspective is a good attitude to have in addressing problems.

Now let’s examine our ideas in light of empirical research published since our article.

Balance is Bad?

James Avey of Central Washington University and his colleagues looked at the issue of addressing problems using different words but similar concepts. What we call Asset Enhancement perspective, they described as PsyCap. Their definition of PsyCap consists of optimism and hope.

Their meta study reviewed 51 independent samples representing 12,567 employees. The results indicated significant positive relationships between addressing problems from an Asset Enhancement perspective and desirable employee behavior. These behaviors include measured job satisfaction, organizational commitment, psychological well-being, and supervisor evaluations.

There was a significant relationship between Liability Reduction and undesirable employee attitudes. These employee attitudes included cynicism, turnover intentions, and job stress.

The authors concluded that the relationship between Asset Enhancement and positive employee outcomes were strongest in studies conducted in the United States and in the service sector.

In other words, the balanced perspective we advocated earlier may not be the right one. A problem solving perspective that focuses on Liability Reduction has proven negative results. The best approach to approaching problems is to approach them from an Asset Enhancement perspective.

Name It, Measure It, Pay for It.

In our work with clients, we often ask them to translate any insights gained in our 1:1 work into specific action steps that will be taken Monday morning at 8:00 AM. The following are some suggestions to consider: (1) Name It, Measure It, Pay for It; (2) Hire for It (3) Script It so you can Scale it.

If organizations wish to see more Asset Enhancement perspective, then state it clearly in job descriptions. An example would be, “The incumbent will have a bias towards articulating positive ways teams can reach corporate objectives versus merely identifying problems.” Once the desired behavior has been named in job descriptions, it should be measured each year. 360 surveys would be one way. A standard Likert question might be sufficient:

"The incumbent articulates positive ways we can reach our desired objectives."

0-Never

1

2

3

4

5

6

7

8

9

10-Always

“Pick a number from 0 to 10 and describe why you gave this person the number you did.”

Pay for it means that the reward system should reinforce the behavior through a percentage of base or bonus being tied to demonstrated Asset Enhancement behavior.

Hire for It.

The Big Five Personality traits are well research and are the basis behind many of the known personality assessments in the market. Three of the five factors include:

Openness to New Experience (you want candidates to score high)

Conscientiousness (you want to avoid hiring candidates who score low)

Agreeableness (you want candidates in the moderate range)

Psychologists can conduct such evaluations.

Hire for It.

There are some jobs where you want to hire people with a bias towards liability reduction/risk management: audit, quality, law, are some examples. But the research suggests you generally want to hire people who will address problems from a positive perspective even if their job functions are in the liability reduction arenas.

Create job-related vignettes that put the job candidate in dilemmas. A dilemma is a selection between two or more options...and all the options are bad. Does the person focus on the negatives in the vignette or can the person see that there might be something positive? For examples of dilemmas we create in our retained search practice:

<https://www.psychologytoday.com/blog/platform-success/201311/use-the-ar...>

When checking references, do ask the following:

“Give me an example of a situation when the candidate responded to a negative situation in a positive manner.”

“Give me an example of a situation when the candidate showed the ability to take multiple perspectives about a problem rather than simply the perspective demanded of his/her job.”

Script It.

Even if people are biased towards Asset Enhancement, they will benefit from training in how to express it consistent with the culture of the organization.

The use of scripts in training helps most Asset Enhancement from an individual quality to a corporate culture. This allows for scalability and is very important if you are acquiring companies.

For example, when being critical of a subordinate's idea say the following:

“Let me first describe what I like about the idea. And then let's go over how we can work together to improve it or jointly decide it is not worth the effort.”

Be Aware of How You Address Problems Before You Solve Them.

Before finalizing a business decision, ask yourself how you and your team are addressing the problem.

Addressing problems with a bias towards Asset Enhancement produces more positive results. Failing to be sensitive to how you are addressing the problem before you make your decision will make your decisions amateurish in the eyes of true professionals.

References.

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