

STYBEL PEABODY & ASSOCIATES, INC.



Laurence Stybel, Ed.D., and Maryanne Peabody, MBA, founded Stybel Peabody Associates, Inc.

To Improve Your Effectiveness, Change How You Think ...not what you believe.

We are going to show you two techniques for changing HOW you think about issues.

How You Think:

Binary thinking dominates as a conversation mode. Binary thinking is the tendency to view the world as either/or. The basic language of software programming is binary (0/1).

And binary thinking is increasing, one of the negative consequences of social media. Prior to social media, people lived in physical communities where they learned to respect people with different opinions. In its place we find people spending more actual time in their virtual community where people have common views. And those who do not share those common views are “bad.” It is “us” versus “them:”

Business leaders often portray their company as “good guys” competing against “bad guys.”

A boss tells a subordinate, “You are either on the bus (with me) or off the bus (out of the company).”

An insurance manager complains she is trying to increase shareholder value while those nasty people in underwriting are trying to avoid taking any risk.

An insurance manager in underwriting complains that he is trying to increase shareholder value while those nasty people in sales are trying to close unprofitable deals to achieve short-term bonuses.

Binary Thinking Has Value.

Sport events are exciting. And one reason for this excitement is it is a human endeavor with a binary ending. There will be one winner. Politicians generate voter enthusiasm by positioning themselves as “patriots” seeking to protect the country from their “unpatriotic” opponents.

When binary thinking becomes the organizing principle around business, it simplifies the world to the point where you are no longer effective.

Below is a disguised but real example of a complex issue that cannot be solved using binary thinking. There are two organizations involved in this situation: Big City Physician Practice Group, and Main Street Physician Practice, a member of Big City Physician Practice Group.

Dr. H. has a relationship with both institutions: she is a partner at Main Street and is also the President/CEO of Big City Practice Group.

Big City Practice Group needs additional revenue. And that can only take place by adding more physician practices. One potential candidate is Marsh Street Physician Practice Group, just down the road from Main Street Physician Practice Group. How does Dr. H. balance this issue?

Use Ordinal Thinking.

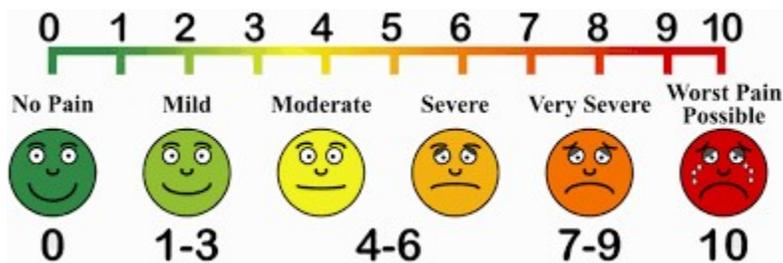
Binary logic will not help in this situation or any situation involving dilemmas and trade-offs.

An alternative to viewing problems from a binary perspective is to examine situations as ordinal. An ordinal framework examines the situation on a scale from 0 (worst idea I have ever heard of) to 10 (best idea I have ever heard of).

An Example of Ordinal Thinking:

Prior to the Pain Chart, physicians tended to ask patients this binary question: “Are you in pain?” Phrasing pain as a binary issue means that some patients who respond “No” may not receive enough medication to make them comfortable. And some patients who respond “Yes” might be in danger of receiving too strong a dose of medication.

Examine the pain chart, now common in doctor’s offices:



Questions about pain can now be rephrased as an ordinal question: “On a scale of 0 (none) to 10 (worst pain), what is the number that best reflects your pain right now?”

Which question do you want your doctor to ask you?

The Situation Facing Dr. Dr. H.

"If Big City Practice Group allows for the admission of competitor Marsh Street, let's pick a number that best reflects the impact on our net income two years from today. Make sure we factor that their added membership dues help keep our membership dues from rising and the value of more leverage we will have in negotiating contracts with insurance companies: 0 (no impact) to 10 (we go bankrupt)."

Wearing My Hat.

Another technique to avoid binary thinking is called “Wearing My Hat.”

“When I wear physician practice partner hat, I would have to say, ‘X.’ When I wear my CEO hat, I would say ‘Y.’ If I try to reach a balance that serves the best long-term interests of both organizations I would have to say ‘Z.’”

Changing the General Counsel’s Hat at a Hedge Fund.

We used the same Wearing My Hat technique with the General Counsel of a hedge fund. She was approaching problems presented as the fund’s chief legal officer and was using binary thinking to classify things as “legal” versus “illegal.”

Such binary thinking alienated the General Counsel people in investment and sales. The legal department was called "the place where good ideas go to die.”

Our coaching work with the General Counsel was not to question her competence as an attorney. But we did question the binary logic she used to classify subjects as “legal” versus “illegal.”

Using the Wearing My Hat framework, we had her argue the case first as a member of the senior management team that is trying to grow the business. And then argue the case as General Counsel.

Through the Wearing My Hat technique, she began to soften her binary thinking and begin to talk about reshaping a proposal so that it could exist in the gray zone.

Instead of using binary logic, frame the problem from an ordinal perspective: 0 (no problem with regulatory requirements) to 10 (clear violation of regulatory requirements).

If an idea is a 7, can it be modified to become a 4?

Conclusion.

In our practice, we are seeing an upsurge in binary thinking among business leaders. This upsurge reflects what is taking place on social media and in political discussions.

This increase in binary thinking is both sad and dangerous.

Ordinal logic may no longer be a natural way of viewing business issues. But it does provide a better framework for solving complex problems in a dynamic world.

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Stybel Peabody Associates, Inc. provides companies with “leadership and career success” for valued senior level talent. Core services:

Retained search (Board members, CEOs, COOs, CFOs)

Leadership coaching

Executive-level outplacement.

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