

The Human Cost of Unsuccessful Businesses

by Jon Craighead

The high cost of a business failure goes well beyond declining profits, job loss, and decreased shareholder value. It actually breeds a culture of failure which can be long-lasting and extremely detrimental. People identify themselves with their work in a profound way: there's the old saying that "people are their business cards." So when a business goes under it presents a high probability that the lost employees will be deeply affected. This is even more compounded if new employment is not available. One major concern regarding our current "great recession" is the effect on people out of work for an extended period, resulting in their being less employable the longer they are out of work. Regardless of pay or skill level, people lose their professional identity and begin to take on an identity of failure. Even underemployed people are in a much stronger position to survive the wave than those left without employment roots. The debilitating impact on self-efficacy makes it even more essential that businesses strive to remain viable.

Obviously no sane and responsible business person would intentionally let a business go out of existence. This conversation is about responsible leaders doing everything they know – and don't know – in service of the viability of the organization and its people. You might justifiably ask, How do I do what I don't know to make sure the business is successful? Consider the legends about people who reached down inside themselves to do the impossible. How does the mother of small children know something is amiss in another room? How do athletes push themselves to perform beyond their physical limitations? How do firefighters or police put themselves in harm's way and perform heroic acts. How does an ordinary kid who can't keep his room clean perform amazingly on the battlefield?

It starts with a commitment to not let the environment define one's behavior; instead, it's about creating behaviors that define one's environment. It shows up in individual and group leadership with the determination to reject the odds for failure in favor of the possibility of success. It's a result of people making it their responsibility to passionately learn what it will take to get the job done. It takes people who are focused on serving others rather than focusing exclusively on themselves. The educator John Holt said, "Intelligence is not the measure of how much we know how to do, but how we behave when we don't know what to do." It is more than irresponsible for leaders to think that everything they know and are familiar with today will not at some point change and morph into another form, completely different and unknown. It's simply unavoidable. To pretend otherwise is to operate in denial, which insults the privilege of leadership.

In order to prevent being unprepared when these changes take place, leaders need to master the skill of studying trends and indicators and do what I call anticipating the un-anticipatable. One place to start is being open to questioning everything that you know. It's counter-intuitive to approach problems with ignorance and questions rather than knowledge and experience, but doing so provides an opening that frees one to see beyond the familiar to new solutions. Simultaneously, one must be responsible for the critical aspect of risk. In our work we apply the term *situational awareness*, which refers to the state of being keenly aware of your environment. Simultaneously developing one's *peripheral vision* trains one to see beyond the limitations of normal sight. Practiced together, situational awareness and peripheral vision are excellent tools for detecting and recognizing indicators that signal undesirable situations, thus preventing or minimizing their adverse impact. Such practices provide a platform on which new inventions are envisioned and created.

The most important point of this conversation is that, for those who are designated leaders, and those who have chosen a leadership role, simply doing our best is insufficient; what's required is doing better than our best. The most dangerous place to be on a football field is standing still; you must move with the flow of the game, otherwise get hurt. Those who follow trust that leadership will provide what's required to lead the business into the future. We all succeed or fail together. It's hardly ever easy, but I believe it is in the hard times that we most expand and grow. Each of us has a say as to the kind of leader we choose to be – but we must recognize that it's our choice. The future of the workforce is at stake.