

# Why Survival is Not Enough

Are you surviving, or are you  
growing in turbulent times?



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## Why Survival is Not Enough:

### *Are you surviving or are you growing in turbulent times?*

Facing serious damage to the economy, President Bush announced to the American public, through his treasury secretary, a program to rescue the financial sector. Estimates of the size of the clean-up bill shocked US taxpayers. The extent of the disaster turned it into a major threat to the US financial system, and one of the most expensive financial sector crises the world has seen. The losses were the result of unmanaged asset/liability gaps that led to interest rate exposures, speculative investments, fraud, and - most especially - massive losses from lending to and investing in the US real estate sector<sup>i</sup>.

Have you been feeling the effects of this nightmarish scenario? Surprisingly, it is not the scenario you think it is. I am not talking about the current crisis that has decimated world markets nor is this President Bush, the 43<sup>rd</sup> president of the United States, I am referring to. Instead, it is George H. W. Bush, the 41<sup>st</sup> president of the United States, and the year was 1989, when the savings & loan industry was at its nadir and required government intervention. At the time, this was considered one of the most expensive financial sector crises the world has seen and was a major threat to the US financial system<sup>ii</sup>.

The question to ask is why are we facing the same painful situation again less than 20 years later? Simply put, while we may have survived the earlier setback, we didn't learn from it. We learned nothing about human nature and even less about the necessity of regulations in the financial sector. 1989 was supposed to teach us that "poorly controlled lending institutions can easily 'recycle' poor loans (by granting more credit) and fabricate fee income (by churning transactions) to disguise their true level of risk and return."<sup>iii</sup> Yet here we are again, but instead of it costing us 50 billion – the cost in 1989 – it is costing us more than 1 trillion dollars. And we will face this situation again if we don't get smart. When we face turbulence in our life, survival is

not enough; we must learn and grow from setbacks and turbulence or we will consistently repeat the same errors.

In this paper, I want to highlight an emerging science that is at the heart of our ability to manage and thrive in uncertain, turbulent times. It uncovers why some people are able to not just bounce back from setbacks, but actually grow from them. I will describe what we call fixed and growth invisible beliefs and how these beliefs can cause us to fall into an 'Imposter Trap' – a trap that robs us of growing from our setbacks, and a key variable in sustaining performance over the long term. In my opinion, it is simply not enough to endure or manage setbacks, as many articles on resilience suggest. In order to effectively deal with the uncertainty, turbulence and increasing complexity that we all face, we need to *grow* from setbacks. This is the key to sustaining high performance. It also happens to comprise a significant portion of the book I have been working on for the past four years.

At the Institute for Health & Human Potential, we sometimes come across findings that surprise us and change the way we look at human behaviour and performance. One finding from a study that we conducted over the past decade, involving over 38,000 people, especially caught our eye. It was an item (a research question) that showed up again and again as the single most important variable in contributing to the career advancement of a leader. If you said, "Astutely plays the political game," you would be wrong. The research item was:

*How afraid – or not – a leader is to admitting mistakes.*

As we delved deeper into this phenomenon, what became clear was that there is something different about people who, when facing a setback, face it head on, admit and own the mistake(s) they made and, more importantly,



grow from their mistake(s). We found that they are not afraid to be public about how they screwed up (when we say public we do not mean in front of their whole organization—although sometimes this occurs—but in front of a direct report or manager). We think of this attribute as ‘playing big’ and it is not easy to do. It takes courage. And gumption. But it also takes something else: a growth invisible belief.

### **The Science Behind Resilience & Learning: Our Invisible Beliefs**

Unbeknownst to us, we carry around an invisible set of beliefs that determines much of our behaviour. This set of beliefs impacts how big a game we play within a number of different contexts—not just dealing with setbacks—such as the risk an entrepreneur might take, or how a leader views a direct report or how much or little that leader chooses to coach and develop a direct report. It impacts the kind of goals we set, how persistent we will be in dealing with setbacks around those goals. It influences the degree to which we will or will not engage in difficult conversations with people. It even impacts the kind of profession we might choose if we are a minority. In short, these invisible beliefs shape much of our behaviour without us even knowing it. For now, we will focus on how these beliefs impact resilience and power sustainable performance.

### **Fixed Invisible Beliefs & the Imposter Trap**

In our terminology, an ‘invisible belief’ is a belief that people hold about themselves, specifically about *their talents and abilities*. They are ‘lay’ theories in that they are beliefs that they unknowingly construct about themselves, and then use to navigate their environment. Some people hold ‘fixed’ invisible beliefs (FIB) about themselves—they believe that their talents and abilities *are fixed traits*—while others hold a growth invisible belief (GIB). People who hold a FIB about themselves believe that they have a certain amount of talent or ability and nothing can be done to change it.

When leaders adopt a fixed invisible belief

about their talents and abilities, believing that they cannot grow and change, they become overly concerned with proving their talents and abilities, hiding deficiencies, and reacting defensively to mistakes or setbacks because deficiencies and/or mistakes imply a *permanent lack of talent or ability*. This causes them to fall into what we call the Imposter Trap. People who have this belief and who fall into the Imposter Trap will actually pass up important opportunities to learn and grow if there is a risk of unmasking weaknesses.

If we see our attributes—such as personality, creativity, intelligence or other leadership competencies—as fixed, then a success or failure provides *diagnostic information* about how much of these fixed attributes we possess (and will ever possess). Failure, then, often indicates that abilities are permanently lacking in some way<sup>iv</sup>. This is why leaders might see admitting a weakness or a bad decision as a career limiting move. This is why they engage in damage control. Their primary focus after a failure, then, is on suppressing the importance of this failure or adopting unhelpful coping strategies as a way to soothe the ego. If our primary focus is damage control and protecting our ego, do you see how impossible it is to grow from a setback? Can you see how learning does not take place if we hold a FIB? When we face another setback or more turbulence at a later date (especially when it comes from something outside of our control) we respond with no new accumulated wisdom because we have not used the previous experience to increase our understanding of ourselves, or expand our repertoire of potential responses.

### **Invisible Beliefs and Leadership**

The impact of an invisible belief on *growing through a setback* might even be more profound on the people we lead. People who surround an individual who is incapable or unwilling to admit a weakness/mistake when they or the team face a setback often go out of their way to make that leader pay. Mark McGwire (and soon, Barry Bonds and Roger Clemens) did not fail to get into the Baseball Hall of Fame because he took



steroids, but because he would not own his mistake in front of congress. Bill Clinton took a fall; not because of his extra-marital affairs at the Whitehouse, but because he did not admit to the mistake publicly and candidly. People wanted to 'stick it' to these individuals because they continued with their façade, with their 'imposter' mask.

### **Playing Big: The Growth Invisible Belief (GIB)**

As you read this article, are you aware of how you see your talents and abilities? Do you view them as malleable? Changeable? While most of us want to believe we can change and would always publicly state that we believe we can, not everyone believes this is possible. If you truly believe that you can be developed through hard work, continuous learning and determination, then we would consider this a growth invisible belief. You might be asking the question, "Can we significantly change our talents and abilities?" While the folks who focus simply on strengths might want you to believe differently, the evidence is incontrovertible that we can—and indeed must—change if we are going to navigate an increasingly complex world. In a future white paper, I will report on the emerging science of neuroplasticity and how our brains, as well as our invisible beliefs, can change.

But back to you; here are a couple of questions that might give you a clue about your invisible belief. Do you need to be the smartest person in the room? Do you spend an excessive amount of time cultivating a certain image? Is it more important to you to look good as a leader than to learn? If so, you are closer to a FIB than a GIB. If you can see every opportunity that doesn't work out as less of a label about who you are and more of an opportunity to improve yourself, then it means you are closer to a GIB than a FIB. Having a GIB means there is less on the line for you every time you face a setback or contemplate taking a risk. Most

importantly, it means that you have a fighting chance of learning and growing from setbacks, making you better equipped to deal with future setbacks and turbulence.

"The leaders I met, whatever walk of life they were from, whatever institutions they were presiding over, always referred back to the same failure something that happened to them that was personally difficult, even traumatic, something that made them feel that desperate sense of hitting bottom--as something they thought was almost a necessity. It's as if at that moment the iron entered their soul; that moment created the **resilience** that leaders need."

### **Warren Benis**

<sup>i</sup> These numbers apply to losses incurred between 1986 and 1995, the most expensive phase of the crisis. See [The Cost of the Savings and Loan Crisis: Truth and Consequences](#), Timothy Curry and Lynn Shibut, *FDIC Banking Review*, FDIC Banking Review, volume 13, no.2, December 2000 from Sunbanc erisk case study

<sup>ii</sup> *ibid*

<sup>iii</sup> *ibid*

<sup>iv</sup> Dweck

### **ABOUT IHHP – WHAT WE DO**

The Institute for Health and Human Potential is a research and learning organization that uses Emotional Intelligence to leverage performance and leadership. We do this based on a blended learning approach which includes keynotes, selection and development tools, training programs, coaching and e-learning to create lasting behavior change. Our expertise is sought by Fortune 500 companies, the world's top business schools, professional athletes and Olympic medalists.

Businesses around the world look to IHHP and our programs on Emotional Intelligence to help them with a wide variety of issues: providing greater leadership and management skills, improving teamwork and individual relationships, retaining key employees and fostering an environment of greater motivation and inspiration. Our customers also find our emotional intelligence programs bring them greater fulfillment and a stronger sense of purpose and meaning to their lives.

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