

# FOCUS

## ON WHAT YOU CAN CONTROL

The last half of 2008 has seen global financial events seemingly 'happen to us'. It's time for business owners to focus on what they can control to make their business a success, rather than what they can't (the global economy and the state of their super to name a few).

**STORY** LIZ CASSIDY

**S**O MUCH IS HAPPENING in the global economy. Meltdown, turmoil and crisis are words being thrown around on a daily basis, and probably will be for the foreseeable future.

A client recently asked for help in his small business in the leisure industry. Trade sales were drying up and he was looking at cost control and reducing staff numbers. He had real fear for the future. When we looked at his business, he acknowledged that retail sales were booming, and he didn't have enough staff to service this area. Further examination showed a huge untapped opportunity to partner with, and educate, his trade clients in their marketing. By doing this, his trade clients could expand *their* retail

**"SOMETIMES IN BUSINESS WE FIND OURSELVES CAUGHT UP IN LIFE'S CURRENT, DRIFTING INTO SITUATIONS"**

markets, serving a larger base without his own business taking on more retail sales staff. This is a classic win-win. He takes control of something which he can impact on; others benefit and the area he was concerned about grows as well. All this businessman had to do was to get back his internal 'locus of control'.

The theory of locus of control was developed in the 1950s and details how people with an internal locus of control see themselves as being responsible for the outcomes of their actions and hence responsible for their own destiny. Lotteries would not

be a profitable business in a world full of people with an internal locus of control. At the other end of the continuum, people with an *external* locus of control see environmental factors (or luck) as being more responsible for the outcomes in their lives and for their ultimate destiny. The theory was based in research, and became enshrined in modern psychology following the research by Martin Seligman in 1965 leading to the 'learned helplessness' model.

Seligman and his team found that dogs' behaviour changed dramatically and unexpectedly when subjected to random feedback (pain). Some of the dogs learned to become helpless when their behaviours made no difference to the feedback they got. They developed an external locus of control: they gave up.

The outcomes of this research and its ramifications changed the face of psychology, and showed that the locus of control is largely learned, *and importantly*, can be *re-learned*. Whole programs are now focused on assisting people to take back their internal locus of control.

### MIND YOUR OWN BUSINESS

Sometimes in business, and in our personal lives, we find ourselves caught up in life's current, drifting into situations and getting results we had not counted on. Some time back I had a series of events impact on me and my business in an unpleasant way. Given that I generally sit at the internal locus of control end of the continuum (as do many people who own their own businesses), having external happenings dare to impact on my results came as an unpleasant shock. The events seemed to be totally out of my control, and my actions did not appear to make a difference to the results at all.

Looking at Seligman's research, I would be a classic case for learned helplessness had things continued unabated. However, I know enough about the human mind and its workings to









QUIZ

# FOCUS **ON** YOUR **LOCUS**

Where is your focus? Do you have an internal or an external locus of control? Take Third Sigma International's quick quiz to find out. Circle the answer most like you. Be honest!

**Do good things happen**

- (a) When you are prepared and open?
- (b) To other people?

**With a problem, would you rather**

- (a) Work out your responsibility and plan to fix it?
- (b) Blame someone/ something else?

**Are lottery tickets**

- (a) An occasional bit of fun?
- (b) A key pillar of your future financial plans?

**Is your goal setting**

- (a) Structured, reflected upon and updated regularly?
- (b) Random. What's the point? Life interrupts the best laid plans?

**In investing are you more likely to**

- (a) Study trends, company performance and outlooks first?
- (b) Take insider advice from an associate?

**Do you believe in**

- (a) Planning?
- (b) Luck?

**Does stuff happen**

- (a) When you are an ineffective risk manager?
- (b) All the time?

**Are you insured**

- (a) For every potential event; business and personal?
- (b) I think so. Not sure where the paperwork is though

**Did you get where you are today by**

- (a) Self-investment; goal-setting and taking opportunities as they come?
- (b) Being in the right place at the right time?

**Do you see yourself as**

- (a) A self-made man/woman?
- (b) Lucky?

**IF YOU ANSWERED (a)...**

- **6 or more times:** You definitely have an internal locus of control. The current market may cause you some disruptions, but you are either already prepared or have some risk mitigation strategies in place. See you next year.
- **5 times or less:** Have you thought of giving up your lottery tickets and investing your money in a cash saving account instead? You have an external locus of control. Try re-reading the article, and good luck with current market trends!