

The HERO Model: How Family Enterprise Leaders Can Accelerate Change

Doug Gray, PhD (Action Learning Associates)

KEYWORDS: Family Business Consulting, family business trusted advisor, Family business dynamics, family business advice, Help with a family business.

Hope, Efficacy, Resilience and Optimism can make us better people and better leaders. Here's how to cultivate it within ourselves.

All leaders and advisors struggle with organizational change. How could our work be anything else? Families are complex. Family enterprises are infinitely complex. No one likes to be told to change. We all want to accelerate change, but many people don't know how to do so. We all bring our biases and adopt heuristics (mental shortcuts) to reduce that complexity. Attorneys say, "We mitigate risk." Wealth advisors say, "We leverage capital assets." Next Gens say, "We want to innovate." This article answers the question, "How can individuals accelerate change?"

Practice PsyCap

Deliberate practice leads to change, for any athlete or business leader. What would happen if we practiced a more pervasive and universal view of capital? We all use heuristics to reinforce the structures that reflect our worldview or experience. One common example is the multidisciplinary view of capital, which includes financial, social, human, family, legacy, and intellectual views of capital.

Business psychologists (like me) know that psychological capital (PsyCap) is a dynamic, validated concept that can be used to describe any individual or family enterprise. PsyCap is based on four inter-related competencies: Hope, Efficacy, Resilience, and Optimism.

As organizational behavior thought leader Fred Luthans states, "PsyCap has and continues to take off across the world ... I have over 166,000 citations of my

research which has been awarded in the top 1% of all researchers in all fields in the world and ranks #1 in organizational behavior textbooks. In other words, I am very happy with how PsyCap is going, especially in the global economy."

The HERO model is more than a convenient acronym. The HERO-within model is a critical approach that practitioners can apply at multiple levels: individual, team/family, and organizational/societal. This can be a model for individual change, as we will learn here.

Leaders, by definition, influence the behavior of followers toward a better future. They practice public optimism. Practitioners, by definition, practice new behaviors and share them widely. My opinion is that practitioners have a fiduciary responsibility to practice both new ideas (innovation) and celebrate strengths (stability) every day. The purpose of this article is to introduce the HERO model, like a new vocabulary term, and examples that can be applied by individual leaders and advisors in any discipline. I invite you to assess how you can apply these practical examples with yourself, and with the clients you serve.

Built For Resilience

Imagine that you are building a house with a garden that you hope will support generations of loved ones.

Hope is defined as "the will and the way" to build a better future. Every founder believes "I can build this product or service." Their hopes are often defined in founder's history books or videos, vision statements, the stories told and re-told at gatherings.

Efficacy is the capacity to build that new house, to get the job done. We all use blueprints such as values statements, family constitutions, charters, phased strategic plans for new projects.

Resilience is our capacity to respond to adversity by returning to the same or a better level. Examples include our responses to global disease, market adversity, or loss of our loved ones.

Optimism is our choice to believe in a positive outcome, such as well-being for our children and grandchildren.

All four of these competencies can be measured, taught in under 90 minutes, and developed over time. The PsyCap impact is more significant when all four competencies are measured (a second-order effect) than when less than four competencies are measured.

Six Ways to Apply the HERO Model

All good leadership development models start with self-awareness and lead to new actions, so it makes sense to start this list of activities with assessments, then several new behaviors that you can implement immediately.

Pre-Meeting or Annual Surveys

For years I've embedded these four questions into surveys so that I can provide a summary of PsyCap changes over time. Directions: On a scale of 1 (low) to 10 (high) how do you assess each of the following?

- **Hope.** I have “the will and the way” to achieve my goals.
- **Efficacy.** I feel confident that I know what I need to do to achieve my goals.
- **Resilience.** I can get through difficult times or challenges.
- **Optimism.** I am optimistic about what will happen to me in the future.

When I share the data, I also encourage people to use these four vocabulary words regularly. If using AI to record meetings, then the number of uses of these four words can be measured as a baseline, or an annual metric.

Self-Assessments

Individuals and teams can clarify values using free tools like [Viacharacter](https://www.viacharacter.org/) or [Lifevaluesinventory](https://www.lifevaluesinventory.org/) (https://www.lifevaluesinventory.org/). Personality and behavioral data including strengths and derailers can be assessed from [Hogan Assessments](https://www.hoganassessments.com/) or [Disc Profile](https://www.discprofile.com/)

(<https://www.discprofile.com/>) .

When I list my top five signature strengths in an email signature, or a meeting, I model vulnerability and higher self-awareness.

360-Assessments

The most valid form of assessment is anonymously collected from others and focuses on the behaviors of family and non-family leaders. For some ideas, see [my company's website](https://assessnextgen.com/) (https://assessnextgen.com/) or Premiere Growth. When we developed the quantitative and qualitative process for that 360 assessment process, we focused on family business leaders who rarely receive such confidential, professional feedback.

Reflected Best Self Activity

When I ask 10-15 people to describe my strengths and weaknesses, those details can help me identify how I can be “at my best.” Our business colleagues and loved ones may never have been asked to provide such feedback or advice. We have a massive, endless opportunity to seek advice and focus on new, desired behaviors. Curiosity and humility are two examples of competencies that are uniquely human and can always be developed.

Three Good Things

The gold standard in social science, with over 100 years of research, occurs when a random sample population repeatedly has a significant result from an isolated behavior. Imagine that you practice this new behavior for a week. When going to bed, write down or state out loud Three Good Things that happened that day. Simple activity, right? If we measured your subjective well-being (happiness) daily, it would increase. Related prosocial measures, like gratitude and kindness, also increase. If you extend your Three Good Things activity into a journal for months and years, then you can ask your loved ones if they notice any results.

Adopt a metaphor

Think about building a new house with a garden where your great grandchildren can flourish. When we “design a future self or future house,” then we can adopt that metaphor and practice flourishing. Ask any founder. Or ask any parent. When we hold newborn children, we always whisper our best intentions and hopes. Why not do the same for yourself and your clients?

Conclusion

Like every practitioner, I'm regularly reminded of how little I know. I ask for advice, and read, and on good days I listen well. Then I try something new. The PsyCap term may be new to some readers. However, the words "hope, efficacy, resilience and optimism" are ancient and familiar. If we embrace the HERO model for our loved ones and our clients, then we are practicing ancient wisdom, in a new way. My experience is that psychological capital describes individual changes for leaders, and family-centric values over a longer term than any other measure of capital.

References

[Psychological capital: What it is and why employers need it now](https://www.apa.org/topics/healthy-workplaces/psychological-capital)(<https://www.apa.org/topics/healthy-workplaces/psychological-capital>) , American Psychological Association

Luthans, F., Youssef—Morgan, C.M. & Avolio, B.J. (2007). *Psychological Capital: Developing the Human Competitive Edge*. Oxford, England; Oxford University Press).

Lopez, S.J. (2013) *Making Hope Happen; Create the Future You Want for Yourself and Others*. New York, New York: Simon & Schuster).

[How to Play to Your Strengths](https://hbr.org/2005/01/how-to-play-to-your-strengths) (<https://hbr.org/2005/01/how-to-play-to-your-strengths>), Harvard Business Review, 2025

Seligman, M.E.P. (2011). *Flourish; A Visionary New Understanding of Happiness and Well-Being*. New York, NY; Simon&Schuster.

Gray, D.W. (2018). *Positive Psychology Coaching Protocols: Creating Competitive Advantage for Leader Development*. Ann Arbor, MI: ProQuest.

Gray, D.W. (2024) [The Success Handbook for Family Business Leaders](https://www.amazon.com/Success-Playbook-Family-Business-Leaders/dp/0975884182)(<https://www.amazon.com/Success-Playbook-Family-Business-Leaders/dp/0975884182>) . Action Learning Associates.