DDI Summit : 2016

InSight.

Leadership through a new lens.
Talk to the Brain: What Neuroscience Reveals about Leadership

John Verdone
Your Manager says...

“Can you come to my office? We need to talk.”
The Brain’s Threat Center

• Threats to social acceptance, being
  – Mistrusted
  – Excluded
  – Devalued
  – Rejected
  – Misunderstood

• Uncertainty
  – Not knowing
  – Being in the dark
  – Future is unpredictable
  – Not in control
Hazard!
Peril!
Yikes!

FIGHT OR FLIGHT!!
REST AND DIGEST
Our brain’s response to lack of acceptance, uncertainty, or loss of control

- Stressed
- Social pain
- Fight or Flight
- Diminished cognitive ability
Oxytocin

Paul Zak, TEDGlobal 2011
Socially Connective Experiences

- Increase Trust
- Motivate Helpfulness and Collaboration
- Reduce Fear
- Strengthen Relationships
Example of a Socially Connective Experience at Work?

- The leader delegates an exciting opportunity to a direct report.
- The direct report feels trusted.
- The oxytocin flows.
- The direct report feels encouraged, engaged, and motivated to do the best job possible.

98% become more trustworthy when they are trusted.
Which brain does your organization want?

Feeling understood, included, valued, accepted, trusted.

Feeling excluded, misunderstood, rejected, or mistrusted.

GOODWILL AND SKILL  FIGHT OR FLIGHT
Levers to Pull for a Brain-Friendly Environment

- Leader behavior and interactions
- Organization processes, policies, practices.
Brain-Friendly (trust-building) Leadership Techniques

“Neuroeconomics and the Firm”*

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<th>Praise</th>
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<td>Delegation</td>
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*by Paul J. Zak, American neuroeconomist
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<tr>
<th>Brain-Friendly (trust-building) Leadership Techniques</th>
<th>DDI Key Principles</th>
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<td>&quot;Neuroeconomics and the Firm&quot;*</td>
<td>Maintain or enhance self-esteem</td>
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<td><strong>Praise</strong></td>
<td>Ask for help and encourage involvement</td>
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<td><strong>Delegation</strong></td>
<td>Share thoughts, feelings, and rationale</td>
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<td><strong>Transparency</strong></td>
<td>Listen and respond with empathy</td>
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<td><strong>Empathy</strong></td>
<td>Provide support without removing responsibility</td>
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Average ROI observed from IM Programs
(for every dollar spent, organizations received about $3.60 worth of return in the first year)

363%

Organizations spent, on average, $1,100 per employee and received about $4,000 worth of value in return.

Financial Returns Based on Reported:

↑ Sales
↓ Turnover
↓ Overtime
↓ Accidents
↓ Production Time
↓ Labor Costs
↓ Grievances
↓ Rework
↓ Excess Incentive Pay
↓ Downtime
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Business Challenge: Managing a more diverse portfolio of products and customers

Levers pulled: Articulated a clear vision, goals, and expectations, and decentralized decision making

Cultural Change: Shift from narrowly focused and bureaucratic to a customer-centric and performance-minded organization
“I liked the part about neuroscience. That’s how you know the leadership training isn’t just a bunch of made up crap.”

--National Sales Manager (industrial/engineering applications)