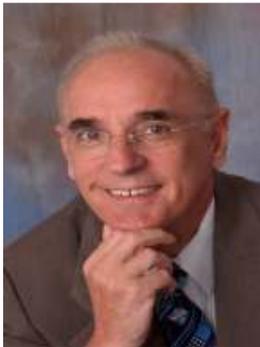




The Neuroscience of Leadership – We are All Addicted to Particular Decision Flavors

It's not you who makes those leadership decisions. It's your neurons. And they have a mind of their own



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A Sweet Decision Makes You a Bad Leader?

These days, obesity is a big subject. It's discussed at length everywhere because it's such a major public health problem. Nowadays we know a lot more about than we did.

What we particularly understand is that there is a substantial neurological component to obesity. We eat too much because the pleasure centers in our brain glom onto particular tastes and then become addicted to them.

So obesity is a food addiction (at least in part). In particular it's an addiction to particular flavors. These include especially sugar and salt and fat but there are many others. Their flavors trigger our pleasure centers and then, bang, we're gone: suddenly 30 pounds heavier than we should be.

To the cognoscenti it's all about neuroscience. And neuroscience is particularly about addiction and pleasure centers, inter alia. Now we can explain a lot about behavior just by thinking about these pleasure centers. We can even use this paradigm to unpeel the onion of leadership behavior.

In this new way of thinking, leadership is also about behaviors. And just like any other behavior, the major driver is the triggering of our pleasure centers that occurs from particular ways of leading. Leadership comprises the particular types of decisions that that person characteristically makes that activate these pleasure centers.

"...Leaders that resort to one type of leadership style and type are operating within their comfort zone. That is, they have an addiction to particular types of decisions as compared with other types. ..."

All leaders prefer to do things in particular ways that are driven by their own particular constellation of traits which in turn reflect these neurological factors. The types of decisions we prefer to make are the ones that trigger our pleasure centers. These are what we can think of as particular decision flavors.

The decision flavors we describe collectively constitute what is known in the neoclassical leadership canon as our "comfort zone". Translated into the vocabulary of neuroscience, our comfort zone comprises the decision flavors we habitually resort to, since they trigger our pleasure centers.

Another way to view this is that these decision flavors that we resort to represent an addiction. Leaders who resort to one type of leadership style and type are operating within their comfort zone. That is, they have an addiction to particular types of decisions as compared with other types.

Bad leaders are those who are not aware of this addiction. The good leaders are aware of their decision flavor

preferences and are capable of ditching the habit. It's like kicking smoking, salt or sugar.

What are some examples of decision flavors to which leaders can be addicted? Well there's a litany and it includes:

- Gut-only decisions
- Highly analytical decisions
- Very fast decisions
- Very slow decisions
- Technically-driven decisions
- Sales-driven decisions

What, you might be asking, is the problem with any of these? Of course, it's not that decisions are made based on these factors. It's when a leader is so driven by one of these particular decision flavors that he uses it for all her decisions instead of varying it for the circumstances.

“...The basic ideais that your brain spends most of its time doing things you know little or nothing about. Some of it is adverse to your own interests, both personal and professional....”

Decisions made based on these different approaches are not wrong in themselves. The issue is whether the particular flavor of decision type used is appropriate for the special circumstances in question and whether the overall portfolio of decision flavors used by the leader is appropriately balanced, instead of being a monotype. That is whether the leader is addicted to a particular decision flavor or has kicked the addiction and now can

eat (read: decide using the most appropriate flavor) anything.

Leadership Buzzwords You Now Need to Know Now!

All of these and other fascinating ideas, conclusions, results, speculations and, inevitably, spoofs, derive from some new disciplines and concepts. These include behavioral finance, mixed rationality, cognitive biases and neuroeconomics. Google them quickly if you want to keep up with the leadership literati.

If you want to jump right ahead to the bleeding edge, try quantum consciousness, neuromics and the connectome 😊

The basic idea behind all of these is that your brain spends most of its time doing things you know little or nothing about. Some of it is adverse to your own interests, both personal and professional. If you want to get ahead of the curve, you need to become self-aware.

In the olden days to do this you became a Buddhist. If you are suitably fashionable, albeit a little late to the party you become a yogista. But if you want to be fashionably current you have to use these new ideas, even if you don't really understand what they mean.

One of the implications, and the underlying basis of Perth's approach to leadership, is that wealth and business outcomes are also determined by unconscious behavioral factors and mechanisms. Innate behavioral drivers determine whether you will be wealthy or not, and whether you will exert a positive impact on your company's financial outcomes. There is a formal behavioral framework to judge this and you can undergo formal assessments to measure your abilities in this area using our assessments.

One of the conclusions from our research is that most – 88% of people tested – don't naturally make money. Another is that, of the 12% who do, for some this can be viewed as being an addiction to cash generation, and, like all addictions, this will sometimes end badly. For one example, check out Michael Dell right now in trying to take his company private.

It's a long story but unconscious cognitive biases are to blame for the fact that most people will never make money. There are particular and characteristic biases of which the vast majority of people and managers are not aware that drive their business impacts and explain why they get these types of financial outcomes.

In effect these cognitive biases lead to us sticking with behavioral comfort zones – read behavioral addictions – that lead us to do things that are, objectively speaking, inappropriate to the current business circumstances. These include things like sticking with safe, existing products and services, or using too many resources to accomplish certain business objectives. But the vast majority of people in business – and outside of it – are not aware of these biases and their impacts. That means they can't do anything about addressing them and correcting for them.

Cognitive biases predict business outcomes with a high degree of certainty regarding business outcome. Thus they are leading indicators of financial outcomes. Financial statements are prepared after the fact. They are therefore lagging indicators of business and financial outcomes. So these cognitive biases are pretty important, particularly if, for example, you want make sure that your stock investments pay off.

How to Improve Behavior to Achieve Better Business Impacts

The message is that you must understand your own particular cognitive biases and their impacts. Once you understand them you have a fighting chance to improve. **So self-awareness is the first step.**

But behavior is difficult to change, just like any addiction. Even once you understand your cognitive biases, you will still need the **mental agility** to be able to see the changes you need to make and then to actually make them. That's hard for the vast majority of people. Conversely, those who make these changes can have dramatic impacts on their personal and professional lives. That includes their ability to create profits for their company and wealth for themselves.

The nature of our cognitive biases is such that we usually think we are doing the right thing even when we aren't. All behavioral addictions are hard to spot. It's probable that the behavioral addictions of decision flavors are the hardest to spot of all of them, because we all tend to think we are doing the right thing. These new tools and concepts outlined here give us all a fighting chance to do something about it.

Recommendations

- **Get yourself assessed to identify your decision flavor addictions**
- **Ask your significant other what your decision flavor addictions are**
- **Focus then on beating that addiction!**

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