



Dear BDI Alumni Member,

Company boards need the right combination of specialised skills, education and experience to effectively carry out the overall mission and vision of the organisation. Traditionally board composition and dynamics focused on gender, age and professional background of each board member, this is all valid, however this month as we explore Board Dynamics, we see that relational skills and personalities are just as important as technical skills. Our first article "Boards not only consist of a mix of skills and experience, but also personalities" By Henri Eliot, CEO of Board Dynamics outlines the importance of having a variety of character qualities in the boardroom in order to achieve optimum board effectiveness. By focusing on a mix of personality traits such as openness, conscientiousness, extraversion, and agreeableness a board can flourish under the leadership of an attentive and charismatic chairman who is able to recognize and bring out the personal attributes of each member. Eliot also goes on to conclude that "While every board is a collection of highly skilled individuals, it is also a relationship system and in the end, relationships within the board and how the board functions are more important than the individuals themselves". In our second article "How small shifts in leadership can transform your team dynamic" Caroline Webb, senior advisor to McKinsey explores 3 case studies where leaders were able to adjust their management style to maximise their team's performance, illustrating the application of new research in human behaviour. By paying more attention to

the cognitive and emotional function of an average person's brain these leaders were able to implement practical steps to ensure their team members were flourishing and productive. "The two-system brain" discusses the deliberate and automatic system of how a person thinks and addresses the problem with 'multi-tasking'. Webb's second case study looks at "The discover-defend axis" illustrating the 2 different modes of an individual's behaviour as well as the importance of positive reinforcement. The last example "The social self" looks at the social side of our brain and evaluates 3 key areas that leaders need to consider in order for their team to thrive: inclusion, respect and fairness. Finally this month, we sit down with BDI Alumni member Mr. Tariq Ben Hendi, Chief Executive Officer of Emirates NBD Asset Management as he shares with us his views on the characteristics of an effective relationship between the CEO and chairman.

Enjoy the read.

Jane Valls  
Executive Director

## Inside

Calendar of events	2
Voice of a BDI Member Tariq Bin Hendi, CEO, Emirates NBD Asset Management	7
"Boards not only consist of a mix of skills and experience, but also personalities" by Henri Eliot	8
"How small shifts in leadership can transform your team dynamic" by Caroline Webb	10

## Upcoming events

- The Effective Director Adding Value to your Board**  
1 -2 August, London, UK
- Chairman Summit**  
29 September, Abu Dhabi, UAE
- BDI Alumni Dinner**  
6 November, Dubai, UAE
- Mastering the Boardroom Workshop**  
7 - 8 November, Dubai, UAE
- BDI Alumni Dinner**  
6 December, Manama, BAH
- Foundations of Directorship Workshop**  
7 - 8 December, Manama, BAH

## Featured events

**BDI hosts Artful Networking Dinner and 23rd Foundations of Directorship Workshop**  
Read more on page 3

**BDI expresses strong confidence in Saudi Arabia's Vision 2030 and the country's National Transformation Program**  
Read more on page 4

**The Unique Position of the Board Secretary in Board Dynamics**  
Read more on page 5

# Calendar of events

## 2016

1 - 2 AUGUST

**THE EFFECTIVE DIRECTOR: ADDING VALUE TO YOUR BOARD** LONDON, UK

29 SEPTEMBER

**CHAIRMAN SUMMIT** ABU DHABI, UAE

6 NOVEMBER

**BDI ALUMNI DINNER** DUBAI, UAE

7 - 8 NOVEMBER

**MASTERING THE BOARDROOM** DUBAI, UAE

6 DECEMBER

**BDI ALUMNI DINNER** MANAMA, BAH  
In partnership with Investcorp

7 - 8 DECEMBER

**FOUNDATIONS OF DIRECTORSHIP** MANAMA, BAH  
In partnership with Investcorp

*TBC*

***Q4 WORKSHOP IN OMAN***

You can reserve your seat today by emailing us at [getinvolved@gccbdi.org](mailto:getinvolved@gccbdi.org)





▲  
**Picture:**  
 Participants, and BDI faculty and team.

## BDI hosts Artful Networking Dinner and 23<sup>rd</sup> Foundations of Directorship Workshop

The workshop commenced with an Artful Networking Dinner the evening before where Alumni and Guests were treated to an exclusive commentary on selected art pieces provided by Sylvain Gaillard, Gallery Manager of Opera Gallery. This was followed by keynote address from Dr. Amer Al Rawas, Chief Executive Officer of Tassneea Oil & Gas Technology Group who spoke passionately about the value of effective board dynamics. The workshop participants, board directors and senior executives from leading regional businesses, represented companies including Saudi Mechanical Industries, Tasnee, Saudi Telecom Company, Premier Group, Shahini Holding Group, General Organization for Social Insurance, ACWA Power, RAK Gas, Commercial Bank International and IPIC.

The characteristics of a model board do not stop at specific industry knowledge or detailed expert understanding said Jane Valls. To ensure corporate governance is effective, diverse thinking and authentic dialogue at board level, it is important for companies to diversify the type of thinkers in the boardroom, going beyond characteristics like age, gender, skills and life experiences; with the right mix of attitudes and behaviour, coupled with a charismatic chairman, boardrooms can better steer the discussions and challenge each other with candour when things are not going the right way.

According to the BDI 2015 report on Board Effectiveness in the Gulf, 59 percent of respondents do not believe that all board members make

meaningful contributions during board meetings in the GCC. I think a board can only be as effective as its directors. This is why making sure there is a right mix not only of skills and expertise but also of personalities and diversity of thought is essential, along with a culture of trust and mutual respect so as to foster open and constructive discussions,” said Dr Amer Al Rawas, CEO, Tasneea Oil & Gas Technology, during his keynote speech at the GCC BDI alumni dinner.

Effective boards are essential for the sustainability of economies and prosperity of societies. BDI is playing a pivotal role in promoting professional directorship through effective learning programs, knowledge sharing platforms, and networking events in our region. With a regionally focused mission and very well balanced agenda, BDI provides an excellent platform for a constructive dialogue amongst ourselves and with the regulatory authorities to share best governance practices, added Dr Amer.



**Picture:**

Left to right: Mr. Mohammed Al-Shroogi, Chairman of BDI and Co-Chief Executive Officer of Investcorp, Jane Valls, Executive Director, BDI, H.E. Khalid A. Al-Falih, Minister of Energy, Industry and Mineral Resources and Peter Breen, BDI Faculty & Partner Heidrick & Struggles.

## BDI expresses strong confidence in Saudi Arabia's Vision 2030 and the country's National Transformation Program

GCC Board Directors Institute (BDI) meets with H.E. Khalid A. Al-Falih, Minister of Energy, Industry and Mineral Resources, and other leading Saudi business executives

The GCC Board Directors Institute (BDI) recently met with H.E. Khalid A. Al-Falih, Minister of Energy, Industry and Mineral Resources to discuss how greater corporate governance in the Kingdom can help realise the goals of Vision 2030.

Mr. Mohammed Al-Shroogi, Chairman at GCC Board Directors Institute and Co-Chief Executive Officer of Investcorp, said: "Vision 2030 is an ambitious blueprint for the Kingdom's economic future that has caught the attention of local, regional and international investors and decision makers. Boards across the Kingdom are now focused on aligning their strategies with that of the new vision and ensuring its successful implementation."

"Corporate governance has the potential to play a pivotal role in the Kingdom's Vision 2030. The set of programs and reforms will mean that there will be greater emphasis on healthy board dynamics and board effectiveness – a keystone to the successful formation of a diversified and sustainable economic future." BDI pointed out that next year's new Code of Corporate Governance will put Saudi Arabia in the lead among other GCC member states in terms of the application of corporate governance and harmonization across regulators.





▲  
Picture:  
Jane Valls, Executive Director, BDI

## The Unique Position of the Board Secretary in Board Dynamics

One of the indispensable roles in ensuring good Board Dynamics is that of the effective Board Secretary. Jane Valls, Executive Director of BDI, was the Keynote Speaker at a Board Secretary Forum held in Dubai in May where she gave a presentation entitled, "Good Governance Does Not Stop At Compliance". She stressed the unique and pivotal position of the Board Secretary as the key point of contact between the Chairman and the senior management team bridging the gap between the boardroom and the executive. This is a summary of her presentation. If you would like a full copy, please email us and we will be delighted to send you a copy.

Board dynamics are changing, so is the role of the Board Secretary. Indeed, the role has evolved from being what used to be dubbed as a "glorified clerical position", the "keeper of secrets" or the "servant of the board". As the importance of effective corporate governance continues to be critical in today's environment, and particularly as a result of the global financial crisis, there has been increased focus on the role of the Board Secretary. Due to this increased focus on corporate governance there is a renewed recognition, and greater visibility of the Board Secretary, who has become the primary point of information and influence between the executive management and the board.

The Board Secretary is now required to be more outward-looking, to be more interactive with major shareholders,

advisers and regulators; and to be increasingly strategic by bringing a wider understanding of business and the economic context in which their organization works. Today's Board Secretary plays a key leadership, high performance role with the standing and professionalism to manage depth and breadth through technical, commercial and social skills. The role combines intelligence and practical skills to make good judgements, employing excellent communication and inter-personal skills, as well as diplomacy and discernment. And the role of the Board Secretary is evolving further into that of a chief corporate governance advisor sometimes with the title of Chief Governance Officer.

Chairmen and Directors are realizing that they need specialist skills and technical knowledge in this area and they are looking at board secretaries to provide this particular expertise. There are a number of responsibilities where the Board Secretary can add real value. In terms of organisational governance, Board Secretaries play a leading role and the relationship between the Board Secretary and the Chairman is central to creating an efficient board. In addition to promoting board development, supporting the Chairman, managing board committees and governance processes, communicating with the stakeholders, managing disclosure and reporting, and in keeping the board up-to-date, the Board Secretary's role is unique and crucial. More so as communication with the Board, the Chairman and the CEO, as well as the executive, requires the

highest level of professional skills.

Furthermore, the effective skills of a good Board Secretary can have a direct positive impact on the effectiveness of the board and the organisation as a whole. To be effective, the Board Secretary must be highly competent in many areas including a thorough understanding of the company's business, at least a basic knowledge of corporate and securities law, solid communication skills, the ability to lead and work within a multi-disciplinary setting to achieve consensus, the know how to overcome bureaucratic thinking, be detail-oriented, flexible, innovative and creative. A tall order!

The pivotal role of the Board Secretary means that reporting lines can be complex. If the Board Secretary is also the General Counsel, he or she normally reports directly to the CEO and at times to the Chairman. If the Board Secretary is not the General Counsel, he or she usually reports directly to the General Counsel or in some cases to the CEO. However, to maximise the effectiveness of the role and to support its independence, the Board Secretary should ideally report to the Chairman, while retaining close alignment with the CEO and the rest of the executive team. It is best governance practice for the board to be actively involved in the appointment and removal of the Board Secretary.

The relationship between the Chairman, the CEO and the Board Secretary is key to the effectiveness of the board and the company as a whole. There are four key areas where the relationship between the Board Secretary and the Chairman are critical for board effectiveness: 1.) Well organized meetings 2.) The chairman's behaviour 3.) The relationship between the chairman and the CEO and 4.) Good governance practices

A high-quality Board Secretary's contribution to good corporate governance is clear. However it is the special mix of leadership, practical knowledge, breadth, depth and diplomacy which makes them critical in creating effective boards.

In summary, the relationship between the Chairman, the CEO and the Board Secretary is key to the effectiveness

of the board and the company as a whole. The best Chairmen empower the Board Secretary to ensure that the organization is led and that business is conducted with the spirit of good corporate governance principles.



# Voice of a BDI member



**Tariq Bin Hendi** is the CEO of Emirates NBD Asset Management. Prior to his current appointment, Bin Hendi was Deputy Head of Corporate Advisory at Commercial Bank of Dubai, with the responsibility for the build-out of a new Corporate Advisory unit, a previously non-existent business line at the bank. In previous roles, Bin Hendi held a number of senior management positions, most recently with Mubadala, based in Abu Dhabi, as part of the Acquisitions and Investment Management / Group Strategy department, and prior to that with Citigroup, based in New York and then London, as part of the Investment Banking / Alternative Investments Fund Management team. Prior to that, he held roles at Dubai Holding, co-managing a multi-billion dollar real estate portfolio through its subsidiary Longwing in New York, and also with Delta Airlines in Atlanta. Bin Hendi holds degrees from Columbia University, London Business School, and Clayton State, and will soon complete his PhD from Imperial College London.

**1. What type of skills (functional, soft, knowledge-based) should each person strive to acquire and/or develop most as a Board member?**

Perhaps the obvious answer is leadership, communication, and financial management skills. And while these are important and should form part of any Board member's core skill set, in my view, a crucial aptitude which is often overlooked is patience. Impetuous decisions can be perilous. There is real virtue and value in allowing time to assess each of the competing components of a decision. Patient conviction is by far a greater asset than rash decision making or constant wavering.

**2. In an ever challenging business environment, what are the top 3 methods to sustain quality corporate governance?**

Key to sustainable quality corporate governance is education, not only at Board level but throughout the institution. While the technical aspects of compliance with the relevant regulations is most definitely part of that edification, I do think that the foundation of a robust corporate governance system is more fundamental because it is anchored in human behaviour. An understanding and appreciation of the concept itself – its spirit, its merit, its worth – will (in my view) contribute to a culture of commitment and fortitude in delivering good governance.

**3. What are the characteristics of an effective relationship between CEO & Chairman?**

Mutual trust and respect. I think it is vitally important for each of these officers to respect the role, and to trust the judgment, of the other. Each of the CEO and Chairman has a different vantage point; with regular interaction, this can lend itself to an opportunity for each to learn from the other and to make well informed decisions, respectively. Much like parents, I also think that the CEO and Chairman should present a united front, whereby any difference of opinion be resolved privately.

**4. In your opinion, what do you think are the key liabilities for Directors on boards? How do you think they should be mitigated?**

Duties and liabilities of directors are well documented, with common practice of disclosure and abstinence from voting being used as effective tools for

conflicts of interest, for example.

In my view, key to continued good practice and risk mitigation from a liability perspective, and also from a commercial perspective as regards the business as a whole, is active participation by Board members. Impetuous decisions can be perilous; ill-informed decisions can be equally dangerous. Regular fulsome briefings of the board by the CEO and senior management team is critical to an active and engaged board. Through membership of board subcommittees (audit, investment, personnel and remuneration, for example), directors should also strive to be actively involved with senior management in decisions which affect fundamental commercial drivers for the business.

**5. What advice and suggestions would you give to a new board member seeking to improve his/her effectiveness and contributions to the board he/she serves?**

I would have to say, listen. For a new board member to be able to assess where his or her contribution will be most effective, it is essential to understand the history of the business and the board itself. A new board member needs insight into the behaviour of each individual on the board, the motivators in particular, and how the individuals on the board have come to make key strategic and commercial decisions to date. Armed with this acumen, my advice to a new board member would be to trust your instinct. Typically, all the tools for effective decision making will be available to you: in depth technical analysis, contingency scenarios, financial modelling and corporate strategy, for example. Ultimately therefore it comes down to your gut, and more often than not, the most effective people out there make decisions on instinct.

**6. Please explain how the Foundations of Directorship program that you have previously attended has benefitted you?**

The program was a great platform to re-emphasise the importance of the role of the board in any business, and to examine its scope from each of an oversight and support perspective. The program was also a great networking opportunity, presenting very valuable insights into cultural nuances in policy and practice.



**Henri Eliot** is CEO of Board Dynamics. He is a regular contributor to the NZ Herald, National Business Review, Idealog magazine and other publications. He founded Board Dynamics in 2009 where he uses his experience to help boards function at their peak. His senior executive career includes working at JP Morgan Chase and PwC in the UK, Deloitte in New York, the Bank of Montreal in Toronto and Telecom NZ in New Zealand.

He is currently Chairman Balle Bros Group, Chairman Risk Dynamics, Chairman Taxpayer's Simplification Panel (Inland Revenue), a Non-Executive Director of King Tide Asset Management, Trustee Plunket Foundation and member of Propellerhead Limited Advisory Board.

Henri has an international education and broad experience, having studied at universities in four countries – UK, Canada, USA and New Zealand. He holds a BA, LLB (Hons) and MBA.

He was named a Chartered Fellow of the Institute of Directors (NZ) in Dec 2015.

# Boards not only consist of a mix of skills and experience, but also personalities

By Henri Eliot

A board whose directors are constantly bickering will not function effectively, but neither will one who never questions decisions. Rigorous debate or "creative tension" is an accepted part of the process in sound decision-making but the nature of any debate depends on the personalities within the group, the board dynamics and how well they are managed.

didn't get trampled. A chairman who is secure and doesn't feel threatened can lead a board to understand that encouraging personal styles is an effective way to ensure collective wisdom flows in an unfettered way. It requires judicious experience to achieve but, without it, all are left aboard a ship of misery in a sea of anarchy.

*"When setting up a board for the first time, it would be wise to include a few "out-of-the-box" thinkers"*

When setting up a board for the first time, it would be wise to include a few "out-of-the-box" thinkers. The trouble is no one wants a director who is contentious or who creates conflict – and "out-of-the-box" thinkers can't help being both.

## Personality Traits

Personality is not easily defined or measured. The American Psychological Association describes personality as the "individual differences in characteristic patterns of thinking, feeling and behaving."

The most widely accepted model of classifying personality traits is the Big Five factors. In psychology, the 'Big Five' is a term used to describe the five broad traits of human personality.

### The Big Five personality traits are:

- Openness
- Conscientiousness
- Extraversion
- Agreeableness
- Neuroticism

Boards that work best often have a chairman who recognises the different personal attributes and allows them to flourish. For example, if one personality aspect was tending to dominate, the chairman acted as a good cop, ensuring the more forceful personalities didn't dominate and that the kindly nature of peacemakers

From personal experience sitting on one board with two different people in the chair role over time provided an insight into the effect of contrasting personalities and styles. Both Chairs were equally successful, despite having very different approaches, because they had the most important thing in common – the respect of the rest of the board.

Decisions made by a board are usually very complex at the strategic level and are often complicated by ethical considerations. There are few simple answers and the decision-making process needs to reflect this.

For example, if the chairman has an autocratic style, this often closes down any questioning or further discussion. It can also steer the board towards a decision that may not be the best one. Often the combination of an autocratic CEO, managing director and chairman can control the decision-making of the board. It takes a lot of courage for a director to speak up and challenge that kind of culture, especially as it's often very entrenched and associated with very influential or charismatic individuals.

## Culture of the Boardroom

I'd suggest that anyone who is considering a directorship asks the current board members how they make their decisions. If they don't have the self-awareness to describe the group culture and their decision-

making style, I'd question whether it's worth joining such a board.

For a board that is self-aware, some of the most complex decisions relate to the nature of the board itself.

"Diversity is essential, but what that entails may not always be the same for every organisation; the tokenistic box-ticking approach is nonsense," says one company director. "Judgment is like a muscle that needs to be exercised in order to grow; directors need to take responsibility for their individual judgment in deciding not only who has the skills needed at the board table, but also the type of personality and interpersonal skills that enables the person to both contribute effectively and to draw out the best from other people, creating the right mix for that particular company."

While every board is a collection of highly skilled individuals, it is also a relationship system and in the end, relationships within the board and how the board functions are more important than the individuals themselves. Accepting this may open the door to reflection and continuous improvement.

"Any board can learn to overcome differences and learn to respect them," says an experienced Chairperson. "As long as there's a willingness to be open to difference, you can take people to a whole new level of honesty, creativity, thinking, effectiveness and mutual respect."





# How small shifts in leadership can transform your team dynamic

By Caroline Webb

Caroline Webb is CEO of Sevenshift, a firm that shows people how to use insights from behavioral science to improve their working life. Her book on that topic, *How To Have A Good Day*, is being published in 14 languages and more than 60 countries in 2016. She is also a Senior Adviser to McKinsey, where she was previously a Partner.

During her 12 years at McKinsey, Caroline specialized in helping organizations shift their culture in more positive directions. She co-founded McKinsey's leadership practice, and designed the firm's approach to transforming senior team dynamics and improving personal effectiveness. She also founded and remains faculty of McKinsey's flagship leadership development course for senior female executives.

Before that, Caroline spent the 1990s working in public policy as an economist at the Bank of England. Her work there included authorship of the prestigious Inflation Report, global economic forecasting, and institution building in post-communist Europe. She is a Founding Fellow of the Harvard-affiliated Institute of Coaching and has degrees in economics from Cambridge and Oxford Universities.

Caroline is frequently invited to speak at conferences and corporate events and is represented by the Washington Speakers Bureau. She advises Huffington Post on their WorkWell initiative, and her work has been widely featured in media outlets, including: *The Financial Times*, *Inc.*, *Forbes*, *The Economist*, *BBC Radio*, *The New York Times*, *The Washington Post*, *Management Today*, *Lifehacker* and more.

Once upon a time, saying “the soft stuff is the hard stuff” was a snappy challenge to business convention. Now, it's a cliché. Everyone knows that it's not easy to suddenly make your colleagues more creative, adaptable, or collaborative, however well-intentioned you may be.

But thanks to research on human behavior, we know what it takes for the average person's brain to perform at its best, cognitively and emotionally — even under the pressures of the modern workplace. These new insights suggest that simple tweaks in leaders'

deliberate and controlled, the other automatic and instinctive. The deliberate system is responsible for sophisticated, conscious functions such as reasoning, self-control, and forward thinking. It can only do one thing at a time and tires remarkably quickly. The brain's automatic system lightens this load by automating most of what we do from day to day, but as the brain's deliberate system becomes more exhausted, the automatic system increasingly takes the reins, leaving us prone to make misleading generalizations and kneejerk responses.

*“...new insights suggest that simple tweaks in leaders' communication and behavior can potentially create a much more productive atmosphere for any team”*

communication and behavior can potentially create a much more productive atmosphere for any team. In this article, I'll describe three leaders who knew enough of this science to spark positive behavioral shifts in their organizations.

## THE TWO-SYSTEM BRAIN

Antony heads a successful technology consultancy that has grown rapidly since it was founded in 2011. Before starting the firm, he worked for a big agency with a toxic culture. “There was a sort of ‘cultural presenteeism’ — you needed to look like you were always working.” At his new company, he wanted to forge a very different culture that would enable people to be both innovative and focused, collaborative and emotionally balanced. He and his two cofounders did all the usual things—hired carefully, developed an inspiring vision for the company, and designed an inviting workspace.

But Antony knew enough of the research on optimal brain function to see that more tangible measures were needed. In particular, he raised the issue of information overload and multitasking and how their team could avoid it. Antony knew that the brain's activity is split across two complementary systems—one

That's why multitasking is such a problem. We think we can parallel process, but each tiny switch from one conscious task to another—from email to reading to speaking on a conference call, for example—wastes a little of the deliberate system's time and mental energy. And those switches cost us dearly. Research shows that people are less creative, more stressed, and make two to four times as many mistakes when they deal with interruptions and distractions.

Another way that the deliberate system's limitations play out in the workplace is that decision-making quality drops the longer people go without a break. Classic cognitive biases like groupthink and confirmation bias take firmer hold, and we're more prone to sloppy thinking in general. In one study, where hospital leaders were trying to encourage the use of hand sanitizer, they found that compliance rates fell when people worked long hours without a break.

But here's the silver lining: if leaders can encourage people to go offline when doing their most important work, as well as taking more frequent breaks, they'll see an uptick in productivity, innovation, and morale. As Antony thought about how to

This article was reprinted with permission from McKinsey & Company. Copyright © 2016 All rights reserved.

do this, he knew that a common hurdle to taking breaks and avoiding multitasking was that people often feel they need to show their responsiveness to senior colleagues by being constantly available, whether on email, instant messaging, or in person. So he knew that his own behavior would be central to shifting norms in his organization. He decided to place a timer on his desk to signal that he was taking 25 or 45 minutes to go offline—something that also helped him focus his brain on the task at hand—and wore enormous noise-canceling headphones to amplify the message. And then, between deep working sessions, he would “bugger off for a walk,” as he puts it. The role modeling worked, he says. “It’s become a collective thing in the office now. And everyone’s decided that breaks are a legitimate use of time because we get so much more done afterward.”

Antony and his cofounders also created a “Monday meeting” for all of the staff to discuss how they were working together as a company. After some time, it surfaced that pressures were mounting, threatening to derail their commitment to focusing and recharging. “It was an emerging cultural behavior, and we wanted it to stop. So we set some rules, like ‘we encourage each other to have lunch’ and ‘we schedule breaks between meetings.’” Most important, he felt, was that “we as leaders had to take responsibility for our behavior and give out the right signals, use the right language, celebrate the right behaviors in others. So we cheered people for leaving the office to go for a run. Later, we adopted the phrase ‘leaving by example,’ encouraging people to use it instead of a mumbled, guilty excuse for taking a break.”

In the Monday meeting, the leaders took one further step to reduce cognitive overload, by asking everyone to name their two priorities for the week. Antony says “the ‘two priorities’ rule encourages people to be realistic and focused in their work. Sometimes you really have to force yourself to decide what really matters this week. But it always pays off.” They also use the meeting as an opportunity to highlight opportunities to redistribute work. “When it looks like someone has too much on, people are encouraged to offload rather than suffer in silence.” The result: great

creativity and camaraderie, without a foosball table in sight.

## THE DISCOVER-DEFEND AXIS

Ros is one of the most senior leaders in the UK’s state-run healthcare system. She oversees the complex web of relationships between the system’s many payers and providers and ensures that the interactions between the two help rather than hinder improvements in patient care. Budgets are tight and the outcomes of her team’s work are often subject to scrutiny by politicians and the media. So Ros has to help her colleagues stay energized and on their game as they pursue their noble goals, even when the going gets tough. Resilience is key.

The problem is, our brain is constantly looking for threats to fend off or rewards worth pursuing. When we’re more focused on threats than rewards, we’re in defensive mode. Our brain diverts some of its scarce mental energy into launching a ‘fight’, ‘flight,’ or ‘freeze’ response, and as those instinctive responses unfold—looking more like ‘snap, sulk, or skulk’ in the workplace—brain scans show less activity in the parts of the brain known as the prefrontal cortex. To put it another way: some of our more emotionally sophisticated neural machinery has gone offline.

This matters, because it takes surprisingly little to put someone’s brain into defensive mode—anything threatening a person’s self-worth, even the smallest social slight. This can create vicious circles in the workplace when, for example, people feel daunted from the start, triggering an instinctive defensive reaction that makes it harder for them to solve the problem at hand.

But then there’s discovery mode, where people’s brains are focused on the potential rewards in a situation—for instance, a feeling of belonging or social recognition, or the thrill of learning new things. If leaders can foster a rewarding environment even amid the most difficult situations, it’s likely that they can dampen that primal feeling of being under threat just enough to nudge people out of defensive mode and back into top form.

Ros has put this insight at the heart of her leadership style. First, she creates

a positive frame for difficult tasks or discussions. “We’ve got a huge project where 95 percent of it is going fine, but three things aren’t going so well,” she says. “We’re getting a lot of questions about those three things, and I can see my team tensing up whenever we talk about them. So now I always begin our meetings by talking about what we’ve done well. And you can see how it calms everyone down and helps people think more clearly.” She’s keen to emphasize that “it’s not about trying to spin or gloss over the problems. But beginning with what’s working well puts everyone in a more open frame of mind, meaning we can look at what’s not working without people getting defensive.”

By focusing on something positive before getting into the tough stuff, leaders can help people stay in high-performance discovery mode. It doesn’t take much. Research found that when volunteers were given a puzzle where they had to navigate a little mouse out of a maze, all it took to lift their performance by 50 percent was seeing a picture of some cheese next to the exit instead of a menacing owl. In a meeting, the metaphorical “cheese” can even be as simple as discussing the ideal outcome everyone’s shooting for, before talking about the steps to get there.

Ros also reinforces her team’s feelings of autonomy and competence—two things that feel highly rewarding for the average brain. Usually, when a colleague has an issue, leaders help by offering advice or direction. But that can backfire, because a well-intentioned “have you tried this/that . . .” can be subconsciously interpreted as a judgment, as in: “why haven’t you tried this/that?” And this mild cognitive threat can be enough to constrain the deliberate system and make people less creative in their own thinking. The alternative: create space for people to do their own best quality thinking. Ros uses the “extreme listening” technique. She asks someone what they want to think through, and lets them talk without interrupting or making suggestions. Sounds simple, but Ros says it’s rare enough to feel a little strange initially.

She describes the first time she used it with her deputy, Alex. “He had an issue he wanted to talk about” and “I actually explicitly told him the ‘rule’ I was following. I nodded, encouraged

him, and asked 'what else?,' when he flagged. Within five minutes, he'd literally solved the whole thing himself. We both laughed so hard. It absolutely worked." Alex went on to use the technique with his colleagues, too, and now it's a team habit. Ros is clear on the lesson for leaders: helping colleagues feel capable of handling matters on their own "is one of the greatest gifts you can give someone," providing a great boost to their resilience and confidence.

## THE SOCIAL SELF

Charles heads the marketing function of a major retail chain. He's overseeing a lot of change in the way his team works, as they take advantage of new technology. "Marketing is evolving fast," he says. "Traditional marketing requires creativity." He adds, "Modern marketing still requires that, but we now get to benefit from new analytical tools that allow us to track return on investment of our marketing campaigns. And that data crunching requires quite a different type of skillset—much more quantitative." That means he's had to hire new types of people in the marketing department, alongside existing staff.

It sounds like nothing but upside for the marketing team. As Charles says, "it's fantastic to be able to combine the best of both skillsets." So what's the challenge? "Whenever you have a very new group of people joining an existing team, you've got to pay real attention to motivation," Charles warns. The reason for this lies deep in our highly social brains. Of all threats, social slights are especially high on the list of things against which our brains seek to defend us. This social sensitivity probably helped keep us safe when tribal belonging determined whether we'd survive the dangers of the prehistoric savannah—but in the workplace, it means leaders have to meet three main types of deep social needs if they want their colleagues to thrive:

- **Inclusion:** "Do I belong?" In Charles's case, existing staff may be worried that they're going to be excluded from the exciting new work. The newbies, meanwhile, will be wondering whether they truly fit in.
- **Respect:** "Do people recognize the value I bring?" Everyone on the team wants to feel that their efforts are useful and appreciated.

- **Fairness:** "Am I being treated just like everyone else—or do I at least understand the reason that things are the way they are?"

If the answer to any of those questions is "no," people's brains can quickly go into defensive mode—which, as we learned earlier, is a sure recipe for dysfunctional behavior. Indeed, Charles said "people were clearly feeling anxious and nervous. As a result, they started complaining about things they've never complained about before—making snide comments or questioning things that they saw as scope creep or turf invasion. People here are generally polite and friendly, and passionate about their work. So they weren't hostile. Just unsettled."

To boost feelings of inclusion, Charles deliberately created opportunities for both groups of staff to get to know each other and later collaborate in cross-functional teams to work on new product innovation. In addition to emphasizing these shared wins from teamwork, Charles also takes the time to make everyone feel respected for their individual contribution. "You have to make sure to give people 'spotlight moments.' I look for opportunities to get them in front of the management team. I hate it when someone works on a presentation and then their boss delivers it. If people have done the work, they present it."

Finally, he's transparent about the rationale behind his decisions. As he explains, "it's a great investment in minimizing suspicion and defensiveness later on." In doing so, he personally takes time to balance his time between the creatives and the technical folks, and if someone's

giving up some responsibilities to one of the new hires, he says, "I make sure to explain why that's happening and emphasize the opportunities they will have to do new stuff in other areas—often areas that they're better at and enjoy more."

As a result, Charles says, "both sides are learning and growing by being exposed to each other." It's not something he sees as a one-off effort, either. "The company never stops changing. The people who are currently 'new' will become the 'old guard' and then there will be a new generation of skills needed." After all, he says, "this sort of attention to the social dimension is important in any industry where systemic change is happening."

The evidence is pretty clear. Colleagues will behave more like their best selves, more of the time, if leaders take a few modest steps to foster an environment where people's brains aren't overloaded—more focused on rewards than threats—and have their fundamental social needs met. With a little behavioral science in their toolkit, leaders can build a more productive team—and a happier one at that.



# On our Social Media



FOLLOW



Follow us @GCCBDI for live updates from our workshops and events as well as regular insights on board governance and effectiveness best practices.



SUBSCRIBE



This month, Walid Abukhaled, Chief Executive, Kingdom of Saudi Arabia, Northrop Gruman Corporation shares his opinion on whether having a strong Chairman and a strong CEO a recipe for disaster.



JOIN



Become a member of our exclusive BDI LinkedIn Group for updates on BDI membership and activities.



VISIT



Visit our website for more information on who we are, monthly interviews from our Alumni members, latest news and interesting insights on board effectiveness in the GCC region.

## Contact us:

Emirates Financial Towers  
Office 2201, South Tower  
Dubai, UAE  
P.O. Box 507007  
T: +971 4 554 7967  
[www.gccbdi.org](http://www.gccbdi.org)

We strive to continuously enhance our offerings and we always welcome your feedback, talk to us! [getinvolved@gccbdi.org](mailto:getinvolved@gccbdi.org)