



# Dear CEO

50 Personal Letters from the World's  
Leading Business Thinkers

**THINKERS50**

B L O O M S B U R Y

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World's Leading Business  
Thinkers*

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# From Lee Newman

*Dear CEO,*

Your business is not about results, nor is it your role to deliver them. True, your board forcefully demands them, the equity markets await them and your personal wealth banks on them. But your results should not – and logically cannot – be your true mission.

A leader can only lead what can be led, and unfortunately your quarterly numbers fail this basic test. They have a mind of their own. They whisper to the markets when you aren't paying attention. They conspire with your customers behind your back. They are present in every meeting and every conversation, involving every one of your employees, every day of every workweek. They turn a deaf ear to even your most persuasive leadership communications. They are omnipresent, but you cannot lead them.

Distil it all down to first principles, and you'll see that you can lead only two things: Behaviour and Climate. These two should be the focus of all of your efforts. Your mission as CEO should be to invest in understanding the 'what', 'why', 'how' and 'when' of human behaviour, and how behaviour is subtly shaped by the climate within your organization. Nothing more, nothing less. As a leader, if you can positively influence both, great results will follow. Do so poorly, and your results will punish you – as will your board, your markets and your pay cheque. Keep your title

of CEO if you want, but your real role should be CBO – the Chief Behaviour Officer – in your organization.

## **The CBO understands that behaviour drives results**

One could spend a lifetime catching up on today's latest thinking about how to lead (most often repackaged versions of yesterday's latest thinking), and doesn't it always come down to numbers? The five keys to effective meetings, the eight steps to leading change, the ten traps of team dynamics. But ultimately, your organization's results are just an infinitely complex aggregation of what happens hourly in every workplace conversation, conflict, team meeting, innovation session, and in the moment-by-moment decisions and actions your employees make, whether they are working alone at their desks, or with others.

So what do you need to know, in a nutshell? Bad behaviours that occur hourly in your workplace are the culprit that kill productivity, reduce engagement, sap motivation and dare I say ... hurt your results. Every meeting that goes off-agenda, or need not have been. Every mind that wanders off, while another is still talking. Every disruptive or careless comment, arising from stress or impatience.

Your employees know this, but they desperately need your help to do something about it. I know this too, because I've talked with your employees and studied their 'bad habits' as part of my work at IE's School of Human Sciences and Technology.

I asked them to think of their behaviours as muscles, and to share with me any they think they might train to improve their workplace performance. Of the twenty-two bad habits on my list, your employees on average chose ten or more. So, what are some of the most troublesome bad habits and the per cent of your employees who admit to them? Poor listening (60 per cent), closed-mindedness (50 per cent), impatience working in teams (50 per cent), people talking too much or too little in teams (40 per cent), losing control over emotions (40 per cent) and the list goes on.

In short, your employees are just not ‘behaviourally fit’, and it costs you. You could blame it on them, except my data shows your employees are identical to those in every organization. It’s not *their* problem, it’s a *human* problem. We take people, put them in the workplace, ask them to deliver increasingly elevated results, with increasingly reduced budgets – and to balance it all with their lives outside of work (if that’s part of their benefit package) – and good behaviours fall by the wayside. Why?

If you accept my proposal to become CBO in your organization, during your training you’ll learn that your employees’ ‘mindware’ – what drives their behaviour – is fundamentally limited. Cognitively, attention is like a spotlight that drains a person’s batteries; short-term memory is like a whiteboard that has trouble holding information; habitual behaviours are produced by a factory that resists change; and self-control is like a steering wheel that’s hard to turn (particularly at the end of a difficult workday). It’s no wonder with such limitations that 60–90 per cent of business professionals admit to being poor listeners. And to make matters worse, when your

employees experience in-the-moment negative emotions like stress, annoyance, impatience, fear ... their already limited mindware works even less well.

So what's to be done?

## **The CBO knows how to positively shape behaviour**

Sir Ken Robinson, a leading thinker on education reform, commented that the real role of leadership should not be command and control, but climate control. And here lies your true mission as the CBO of your organization: to put in place a climate that will innately favour high-quality workplace behaviours, a climate in which your employees can become more behaviourally fit.

You're probably thinking 'financial incentives', but these are a blunt, brute-force tool that too often create exactly the climate that you don't want. No, it's not really about money. Instead, as CBO, you'll have two powerful sets of tools at your disposal.

First, you'll put in place a behavioural fitness training programme for all employees. Not an old-school HR training program, nor a fashionable new programme using the latest buzzwords. Rather, a neuroscience-based method that will help your people hack bad habits to replace them with more productive ones. In the same way that people help each other get in physical shape using tools like Nike+, you'll turn your organization into a fun behaviour-gym where individuals and teams train together

to reach new levels of performance. I worked with a bank CEO who asked his management team what behavioural muscle he should train – in this case, it was not listening carefully to their ideas. He put a bright sticker on his phone and in every meeting room to remind him to hack his habit. He also put a money jar on every meeting table. Every time he was caught not listening carefully, he put money in the jar that his team would use for Friday happy hour. CBOs replace dry, standard training programmes that rarely work, with behavioural programmes that do.

Second, you'll lead the design of a workplace climate that favours good behaviours at the expense of bad ones. It's called 'behavioral nudging' and it's grounded in hard science. These will be small, subtle changes in workplace conditions that will have a profound impact on how your employees think and feel, and what they say and do in the moments that populate every workday. For example, you'll work with front-line managers on the way they communicate and the language they use in meetings; you'll nudge problem-solving sessions so that employees argue based on facts rather than on personal positions; you'll create a system for strengths-based development; you'll put in place mobile apps that nudge people to give each other more regular positive feedback; and you'll rethink the design of workspaces to foster behavioural Key Performance Indicators like innovative thinking, collaboration and open-minded debate.

In closing, I urge you to be strong and to let those vexing results go, if only in the amount of time you spend thinking about them. Your board and your shareholders will never know, but when bonus time arrives they will surely thank you and ask

how you do it ... to which you'll reply, 'good behaviour, and a favourable climate'.

Best to you and your people,

A handwritten signature in black ink, appearing to read 'Lee Newman', with a long, sweeping horizontal line extending to the right.

**Lee Newman**



**Lee Newman** is dean of IE's School of Human Sciences and Technology, and Professor of Behavior, Leadership & Analytics. He holds a PhD in Cognitive Psychology and in Computer Science, and formerly served as an engagement manager at McKinsey & Co and as a founder and senior manager in technology ventures. He was shortlisted for the Thinkers50 Breakthrough Idea Award in 2015.