



Education for Accountants

Wanted: smart leaders for troubled times

By ROBERT GAGNON

The world is changing exponentially and we increasingly face daunting, unforeseen challenges. If ever there was a time for new ways of thinking, this is surely it.

Professional development courses are usually about strengthening skills. Many impart something that really makes us think. But rarely does one find a learning experience aimed at showing you how to think more effectively. That's the purpose of *Smart Leaders: Thinking and Innovation Skills for the 21st Century*. Its goal is to provide the knowledge and tools needed to become better decision makers, if not true leaders, in an era that demands risk taking and rewards 'being different.'

Dr. Jim Murray has been teaching leadership development programs for almost 40 years. The results have been formally recognized for excellence in the design and delivery of lifelong education. He says recent advances in neurology, aided by technologies like magnetic resonance imaging (more commonly referred to as MRI), have given us entirely new insights into how people process information, compute risks, solve problems, see novel connections and make decisions.

"At one time, brain theorists suggested we all possessed the same hardware, that it didn't much change over one's lifetime and that the differences in how people think resided in the brain's 'software' or how we were programmed in early life. That view is fundamentally wrongheaded — our brains are as unique as our fingerprints," said Murray.

Why is thinking differently so critically important today? For starters, the economic mess we are in currently is largely a consequence of traditional thinking patterns. The architects of the market meltdown were some of the financial industry's brightest people yet, after the fact, they confessed to not understanding what they were doing.

From former Federal Reserve chair Alan Greenspan's "shocked disbelief" to Jamie Dimon's (CEO, JPMorgan Chase) admission: "What the hell were we thinking?" their decision making was breathtakingly stupid.

Murray's explanation of these and other questionable business decisions underscores a central principle in his *Smart Leaders* thesis.

"We were taught in school to be good rational thinkers. Logic, deduction and proficiency in analytical tools were rewarded. Yet



**"We now know that we can grow
and rewire our brain well into our 80s,
provided we nourish it with the right things."**

Jim Murray, leadership development teacher

rational analysis is simply not up to the task of understanding how the world will unfold."

He fervently believes leaders of the future need to learn a different thinking discipline — one that enables them to synthesize pertinent information, grasp emergent challenges, recognize patterns that are not logically related, and look around corners to anticipate high-risk events.

Three years ago, Murray set out to build a unique learning experience that would help analytical thinkers, like CAs, overcome their cognitive biases and mental traps and, in so doing, to liberate their innate creative genius, a capacity he believes resides within everyone.

We live in a world full of paradoxes, seeming contradictions that require a different thought process to understand and exploit. In Murray's judgement, analyticals try to rationalize these paradoxes rather than thinking them through to find the optimal

strategic balance. Innovative thinkers are able to reconcile the opposing forces of efficiency and creativity, focus and flexibility, control and trust, conservatism and risk-taking.

The problem-solving techniques we were taught in school at all levels don't match the circumstances we face in real life. In the classroom, problems are precisely defined, have all pertinent information provided and have only one correct answer. Everyday complexities do not share these characteristics.

Therein lies the difference between analytical and practical problem solving.

Rarely, if ever, would today's decision maker possess all the information needed to deal with unpredictable, discontinuous, disruptive events. Assuming there's only one answer or strategy is suicide in the rapidly changing global marketplace. Yet we continue to use thinking methodologies that were

cemented into our neurons through an out-of-date, out-of-touch educational system.

For Murray, the zone of complexity (that which lies between controlled order and chaos) is the zone of opportunity for innovative thinkers.

Recent medical and scientific findings provide an explanation. We have hard-wired 'bugs' in our thinking apparatus.

And, if we don't know what they are and how they constrain our creativity, we can't compensate for them. These thinking traps include such ingrained cognitive biases as faulty memory, motivated reasoning and confirmational bias — the tendency that leads people to seek out evidence that confirms their beliefs but undervalues or ignores information that challenges those comfortable opinions.

A failure to recognize these traps leads to delusional thinking, something more common in business today than most realize.

Take the professional affliction of an overconfident mindset as one example.

People who are usually right convince themselves, for a variety of explainable reasons, that they are always right. But the consequences of that thinking are measurable and often disastrous, including the loss of life.

The danger of assuming you are 'right' is that a stance of absolute certainty precludes considering alternative views. While the rational mind is the glue of business discourse, it is also the source of our resistance to new ideas.

An insistence on 'knowing' or being right has physiological similarities to addictions. The brain reward systems prefer certainty over open-mindedness.

It's not easy to get professionals to change, partly because they are so confident in their abilities. For example, when surveyed, 75 per cent of business leaders rate themselves in the top 10 per cent of their industry. That is a statistical improbability. But such beliefs are hard-wired in our brains. While comforting, overconfidence leads to taking unwarranted risks.

Murray brings his students to an understanding of these counter-intuitive notions experientially. "I don't tell them as much as let them discover for themselves the pleasurable sensation of certainty. You can't intellectualize the need to change but you will act on your own internal discoveries," said Murray. Only then can you become mindful of the benefits of thinking differently about your barriers and your potential as a leader.

Over an intensive three days, Murray takes *Smart Leader* participants on a journey that not only deconstructs their thinking styles but opens them to concepts like healthy and fit brains.

"We now know that we can grow and rewire our brain well into our 80s, provided we nourish it with the right things," he said.

Murray also explores the belief systems that drive our decisions: "Many early notions about brain software are still relevant as insightful metaphors. When I ask attendees if they have a moral compass, everyone says yes. When I ask them to specifically define it, I get a lot of blank looks."

Smart Leaders is a pre-requisite for anyone who envisions a position of leadership or who wants to think differently about themselves and the future.

"My purpose is not to have

See Stay on page 17



Education for Accountants

Stay sharp by maintaining a fit brain

Continued from page 11

people reject what they know or how they think. I want them to consider other approaches to making high-impact decisions, including using their powerful subconscious thinking capabilities," Murray said. "I hope they will discover what happens when analysis occurs at the end of the thought process, rather than at the beginning."

Participants are asked to do exercises prior to attending, including inventorying their most vexatious personal and profes-

sional problems, as these too become the target of Murray's many problem-solving techniques and tools.

"I won't solve their problems but I'll show them how to go about looking at their challenges from different perspectives," Murray said.

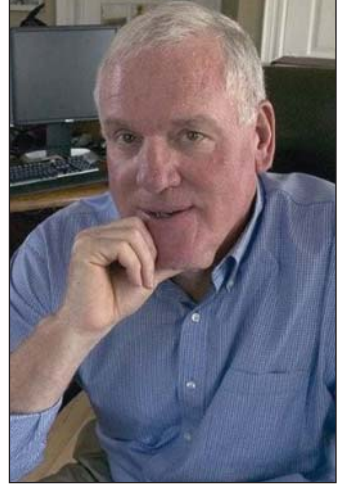
"When I ask attendees if they have a moral compass, everyone says yes. When I ask them to specifically define it, I get a lot of blank looks."

Jim Murray, leadership development teacher

"When they discover novel insights and workable ideas for themselves, they will have learned a new way to make better decisions."

Robert Gagnon, CA, is the associate director of professional development at the Institute of

Chartered Accountants of Ontario. Smart Leaders: Thinking & Innovation Skills for the 21st Century is being held Oct. 4-7, 2009 at the White Oaks Conference Resort and Spa, Niagara-on-the-Lake, Ont. For more information or to register, please visit www.icao.on.ca/PDExec.



MURRAY