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Does Your Organisation Run on Fear?

Overbearing and oppressive leadership can make people afraid of failure, destroy initiative and even cause unethical behaviours within the enterprise.

In 2013, the US Air Force realised that over 20 percent of the nuclear officers at Malmstrom Air Force Base cheated on their certification exam. Many other officers knew about the problem but did not report it. The root cause for this dangerous behavior was a culture of fear that led launch officers to believe they had to receive perfect test scores to get promoted.

Fear is not risk-management. In fact, it is quite the opposite. Fear kills initiative and pro-social behaviors. It renders your smart, talented people useless. It suffocates innovation and undermines your future growth. Paradoxically, the business becomes more risky, as critical conversations are either avoided or under-addressed.

Symptoms

The amygdala - the part of our brain that serves as our internal panic-button - can be triggered by both internal and external sources. The cues can range from the macro to the micro, from the impending entry of an aggressive competitor to the "dirty looks" made by your peers as you're communicating your best ideas. For many people, the main source of fear lies closer to home, in the shape of the tyrannical leader. This can be typified by the phrase, "don't bring me problems, bring me solutions." Naturally, you often get neither until it is too late.

Whatever the source of the anxiety may be, there is a predictable pattern of characteristics that define a fearful organisation:

- An absence of frank and open dialogue. For example, when important conversations are happen either before or after meetings, but everyone remains silent during the official discussion.
- A resistance to participate, for fear of being ridiculed, overlooked or "shot down".
- Only notional alignment ("lip-service") on action plans, underpinned by a collective belief that those plans will be ineffective anyway.
- A partial or total reluctance to pass any bad news upwards.
- A culture of "going through the motions" without any real engagement; and
- A focus on salient but unlikely catastrophic outcomes.

The Solutions

So, how can we mitigate the effect of fear?

1. Emphasise Importance of Executive Level Collaboration

Screen directors and executives for their emotional intelligence. Leaders who regularly display emotional outbursts or are bent on crushing internal dissent impose a cost on the organisation. For example, the accounting scandals at the turn of the century involved a litany of charismatic but hard-nosed CEOs such as Richard Scrushy or "Chainsaw Al" Dunlap.

Develop a culture in which the leadership can be challenged. After the Korean Air Flight 801 crash, the airline company implemented a training program to soften an authoritarian-hierarchical culture that prevented the co-pilot and crew from speaking up, even in a life and death situation.

2. Track the Fear Radar

Discuss the topic of fear at high-level meetings. Specifically evaluate and address the potential impact that fear-driven behaviours could have on key inter-personal business relationships, information flow, and timely decision making, especially during turbulent market conditions and business crises.

3. Choose Knowledge over Retribution – Discover the Diamonds

Focus on Leading Indicators – Facilitate organisational dialogues where individuals feel safe to openly highlight and discuss near-threats and near-misses. These are situations and events that may not have resulted in failure but had the potential to do so. An example is the training of supervisors to lead real-time risk discovery sessions.

Conduct no blame-attached business post mortems. For example, many hospitals implement a no fault review of what went wrong after a patient death to elicit suggestions for process improvements.

4. Speak the Truth - Encourage Authentic Dialogue

As a leader, set the tone by being upfront about the issues. Specifically recognise the concerns that individuals may have and admit when you do not have the answer to a question. Celebrate the successes but acknowledge the failures and the threats.

Spark Innovation by establishing a "shark tank" for employees to pitch their best ideas.

5. Reward What's Right - Optimise the reward system.

Design Incentives with the brain in mind - don't use overly powerful incentives. Research in neuro-science has shown that when the reward is too high, the brain reframes the hope of receiving a reward into the fear of losing it.

Moderate the frequency of evaluation. Some professional partnerships review their junior associates on a weekly basis and dangle the threat of termination in front of them.

Naturally, when junior associates become senior, they continue with this approach.

Design Key Performance Indicators with a behavioural component to deter individuals from focusing exclusively on results at all cost for the fear of missing the objectives.

The Pixar Way

An organisation at the forefront of this process is Pixar, the creators of box office hits such as Toy Story or Inside Out. It operates in a high uncertainty environment that runs on larger-than-life personalities, cutting-edge creativity and fickle audiences. The need for critical appraisal, straight talk and operating beyond egos becomes paramount.

Pixar created the "Brain Trust" as a sounding board at the developmental stage for large budget movies. Consisting of a loosely structured group of fellow movie directors, the role of mentor and mentee are regularly swapped. The Brain Trust does not have any power and every member understands mistakes will be made. Thus, sharp discussions do not carry penalty or stigma. Directors realise that this is about the process, not about them or their movie. This makes the Brain Trust particularly effective in pushing Pixar to release really innovative and successful movies.

A question worth considering is, "What could be the equivalent of the 'Brain Trust' in your business and what performance benefits could it bring?"

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