

# The neuroscience of leadership

## It is all about trust, engagement and competence

Understanding the topic of leadership has never been more important. Through leadership, things either improve or decay. Synthesised into a simple yet extremely powerful model – trust, engagement and competence (TEC) – these three interconnected domains offer an elegant tool to track and measure a leader’s behaviour. Fittingly, neuroscience has spawned an avalanche of discoveries supporting the TEC Leadership Model.

Modern neuroscience has exposed that we are primarily a social species. And in the boardroom, because of these associated primeval caveman reflexes, we are not half as rational as we think we are.

Our ancient ‘dog’ brain (limbic system) is the evolutionary residue—a current maladaptive misfire from the past—that should be factored into any leadership model. Overuse of fear, for example, will disable a follower’s rational ‘human’ brain (neocortex), shutting down cognitive and creative reasoning of the prefrontal cortex.

At the crux of leadership is adapting our style to these ancient idiosyncrasies.

We now know that people have an unconscious repulsion to being persuaded. No one likes being ‘sold to’.

Fortunately, neuroscience has exposed that people are strongly motivated by the emotional engagement of trustworthy relationships.

So how do we persuade, and get co-operation, without forcing someone to comply?

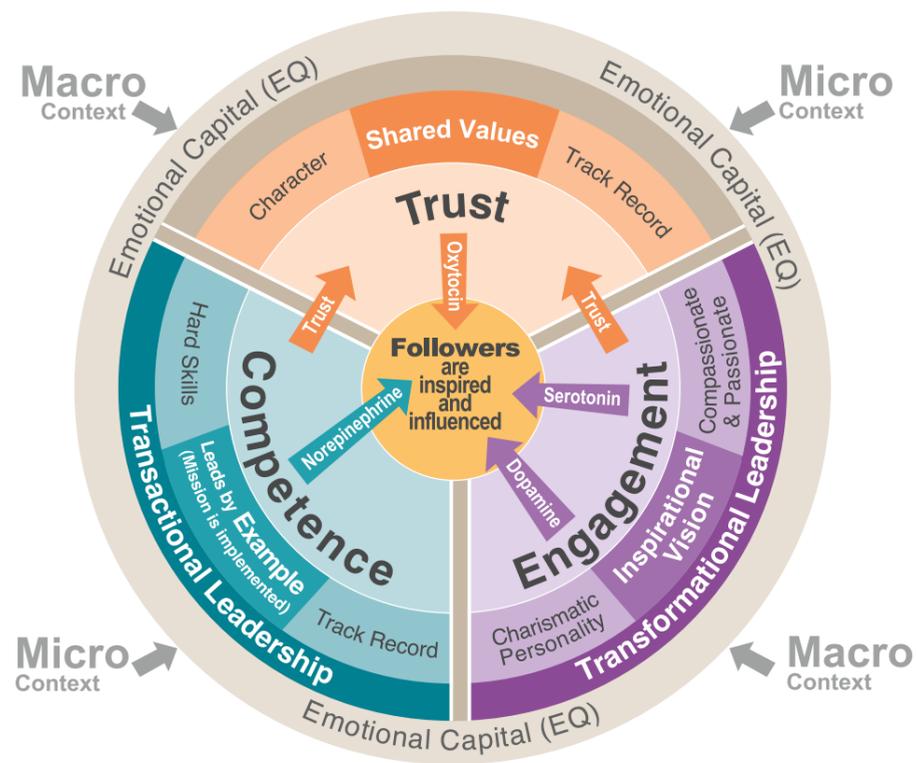
Let us look at how leaders, using the three TEC domains, will achieve great heights.

### Trust (reputational capital)

Trust is the overarching prerequisite of all relationships and, in an uncertain world, there

is an increasing need for the emotion of trust. At a neurobiological level, trust produces the bonding hormone oxytocin.

Studying the TEC Leadership diagram below, it is interestingly to note that both emotional engagement and competence fuels the trust



TEC Leadership Model © Ian Rheeder 2012

segment. Because of our biological circuitry, whether you are aware of it or not, we are inherently attuned to seeking trust. Trust is the central social lubricant – the basic need of our ‘dog’ brain in maintaining strong relationships. Trust is the platform, the binding force, between a leader and follower.

### TEC Leadership Model:

Leadership Capital = Trust (reputational capital) + Engagement (relational capital) + Competence (managerial capital)

Studies by neuroeconomist Paul Zak show that people are motivated by returning favours, just as much as raw self-interest. We are foremost social creatures. When trust is displayed, we are hard-wired to return the favour. Thus, by engaging with people at this emotional-oxytocin level, the interest in the leader’s message escalates, but so, too, does the followers’ need to reciprocate the favour.

No matter how great the vision, if the people do not first buy in to the leader, they will not be inclined to walk the untrustworthy road to that vision.

Professor of psychology Robert Plutchik singled out trust as one of the eight basic emotions we feel, and that the opposite emotion of trust is disgust. The opposite of a high-trust leader, therefore, should be described as a high-disgust leader. Over the long haul, a credible character is key.

Because of our primary survival need for clarity, we either box people as ‘I trust you’, or ‘I have disgust for you’. There is no lukewarm state of indifference. This sheds light on why most customers who defect, defect to the opposition simply because of indifference (lukewarmness). In other words, if there is no evidence of trust, the feeling of disgust sets in.

Nature’s survival mechanism has simply programmed us this way. This is why it is so important for leaders to go out on a limb and create the physical evidence that they actually are on the side of their group; that they genuinely do share a strong value congruence with their group.

Ideally, this is why leaders need a track record of integrity before they enter into a senior leadership position. Yet, where there is no trust in the leader, performance-destroying suspicion and a tacit uneasiness – a disconnection – is

felt across all levels in an organisation, country, family or team. This anxiety or nervousness is felt in the limbic system, starving the prefrontal cortex of oxygen and glucose – causing followers to make costly mistakes.

### Engagement (relational capital, typical of the transformational leadership style)

Followers should come to work because they want to, not because they have to. Let us explain how an engaging leader puts his/her group onto a natural high.

We are foremost social creatures. When trust is displayed, we are hard-wired to return the favour.

Our ascending monoamine system (AMS) is made up of three separate systems: serotonin (a feel-good neurotransmitter), norepinephrine (arousal neurotransmitter/hormone) and dopamine (reward-motivation neurotransmitter). Interestingly, snorting cocaine also leads to an increase in serotonergic, noradrenergic (adrenaline), and dopaminergic neurotransmissions. The AMS gives us insights into what a great leader can trigger in a follower.

Cocaine, like a great leader, increases our alertness, feelings of euphoria, well-being, energy, motor activity and feelings of competence. In short, engaged followers, now with their AMS pumping out these three neurotransmitters, become superconscious and engaged at work. But where there is no emotional bonding, disengagement (mind wandering) creeps in – plummeting productivity, learning and creativity.

Manipulative or toxic leaders (usually without competencies or trust) unfortunately over-deliver on this charismatic engagement style to gain their followers’ vote. Done for effect, this manipulative engagement gave rise to Ronald Reagan saying, “The nine most terrifying words in the English language are: ‘I’m from the government and I’m here to help.’”

Like it or not, transformational leadership is a placebo. What do you think United States

President Barack Obama did with his charismatic speeches? “Yes, We Can!” But could he really do it, and could the followers do it, too?

Many top leaders, despite their excellent credential and competencies, cannot get the vote today without the placebo of a great emotional speech. Ridiculous, when you think about it.

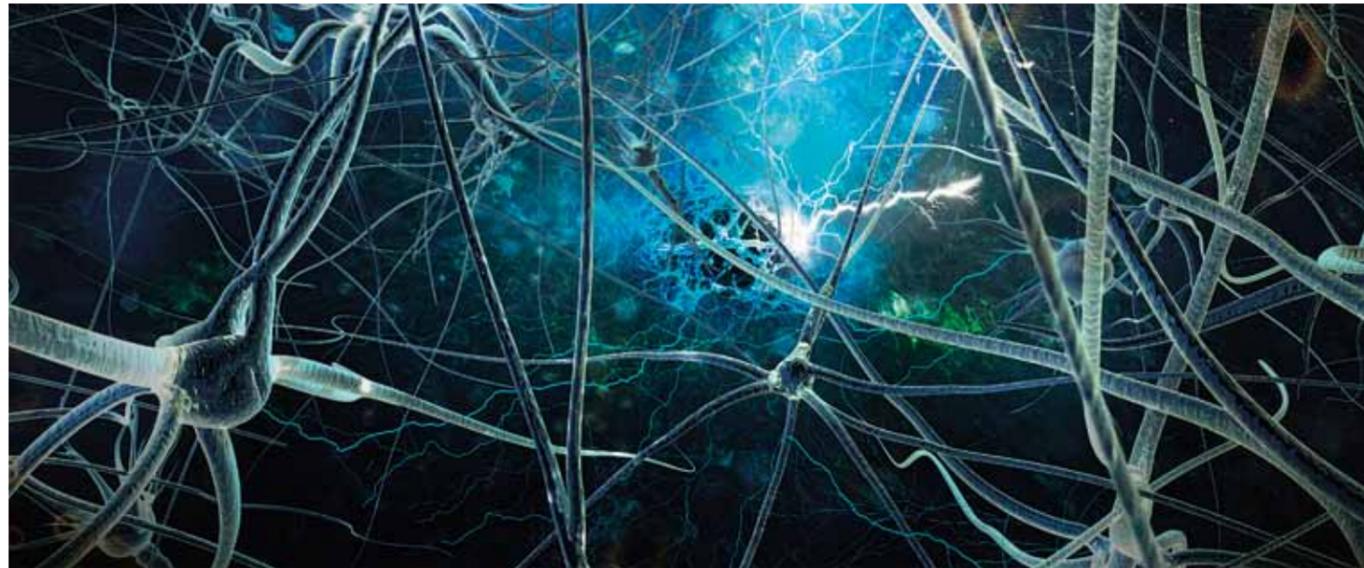
For better or worse, you should start appreciating how the hype of inspirational transformational leadership works. Because of the neurobiological effect it has on us (refer to the diagram opposite), emotional engagement is key.

Pioneer of the ‘transformational’ and ‘transactional’ leadership styles, James MacGregor Burns (1978), said these two styles are mutually exclusive. However, Bernard Bass (2008) has found that combinations of both transformational and transactional leadership styles are complementary (mutually inclusive) in organisational psychology; transformational or visionary leadership enhances transactional leadership, but does not replace it.

In his book, *Leading Change* (1996), John Kotter suggests leadership skills drive “change”, but management skills “control” the entire process. Therefore, leadership is much more than engaging charisma and vision.

In his article, “The Vision Thing” (2004), John Humphreys states that “vision isn’t the starting point – it’s a byproduct of competent analysis” because “[w]ithout analysis, there can be no useful insight.”

He adds that strong leadership skills without management competencies can lead to chaos and the demise of the organisation. Managers need to assess the situation, redesign strategy, measure, design support programmes and implement change programmes. With all this agreement and evidence, this is why the TEC Leadership Model embraces both transformational and transactional leadership styles.



Let us now take this ‘soft’ transformational hype, and bolster it with ‘hard’ competence.

**Competence (managerial capital, typical of a transactional leadership style)**

In the book, *The Psychology of Leadership* (2005), Tom Tyler warns that leadership should not only be about “motivating” the group, but also should “set goals for the group (vision)” and “structure the organisation so that it can effectively attain those goals (implementation).” After all is said and done, action counts the most.

It is important to remind ourselves that Peter Drucker said, “Leadership is all about results.” This does not mean the leader should use fear to motivate, but rather keep followers appropriately challenged and productive. The leader’s observed competence – his/her expert power – excitedly keeps the team on their toes. Here, the leader influences more than inspires. Steve Jobs was rude and rough, but his observable competence and vision built trust.

Leadership and management are flip sides of the same coin. Remember that transformational leaders keep their followers’ chins up – excited about the shared vision; and transactional managers keep their chins down – energised to implement the mission. Thus, you need to know when to lead and when to manage.

In his book, *A Force For Change: How Leadership Differs From Management* (1990), Kotter distinguishes a manager and leader

as follows: managers organise and control, whereas a manager who wants to lead needs to inspire, align and motivate his people. The inspirational leader should give her (or his) people a big ‘why’ to act. Whereas the typical manager says, “Why are you looking up? Get your chin down and work!” But, if people are well led with strong enough reason to act (a why), they will look forward to being ‘managed’ in this transactional way.

**Summary**

The three-dimensional principles of art can be taught and analysed by using colour, line and form. Likewise, the diverse art of leadership rests on three pillars: blending trust (reputational capital); emotional engagement (relational capital); and competence (managerial capital). Blending these three TEC domains produces a powerful cocktail of neurotransmitters and hormones, sparking the follower into action.

Leadership must be results driven. Success or failure hinges on balancing the three TEC things, and it is the synergistic neurobiological effect of these traits that is more important than the separation of any one admirable TEC attribute.

You may know of a great leaders who only possesses two of the three traits, but that should not detract from the fact they excelled on the third trait, too. Strong starters may ooze an engaging transformational leadership style, but

strong finishers have transactional managerial competence, built on a solid platform of trust.

The definition of excellent TEC leaders becomes clear: they are trusted and emotionally engaged with their group, and due to their appropriate competencies and contextual mindfulness, they can intuit decisions and implement superior solutions faster than their rivals. ▲

*Ian Rheeder, chartered marketer (SA)  
Markitects Consulting, Adjunct Faculty at GIBS*



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Tel: +27 (0) 12 420 4111 • Fax: +27 (0) 12 420 4555

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