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How **creativity, intuition and stakeholder capitalism** are changing the corporate landscape—
for better or for worse.

BY **COLLEEN MARBLE** PHOTOGRAPHY BY **MICHAEL BENABIB**

The Human Side of Business

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Is Neuroscience the Key to Better Business?

Few C-level executives would say neuroscience is one of their top business tools. But they should, according to **Moran Cerf, Ph.D.**

"Our brain does a lot of things that drive our thinking and behavior, and we're not fully aware of them," said Mr. Cerf, neuroscientist and business professor at the Kellogg School of Management at Northwestern University.

"Neuroscientists are looking to explain not only how the brain works, but also the real-world applications."

Mr. Cerf said these three discoveries could alter the future of business:

1 | Memories are more malleable than we thought.

Every time the brain accesses a memory, that memory is permanently modified. This helps protect us from trauma by making bad memories less painful over time.

But it also makes us susceptible to outside influences (good or bad) that can change how >>>



he pandemic. *Inflation. Supply chain disruptions. Social unrest. Wars.* Any of these events would be enough to create a sense of vulnerability, uncertainty, complexity and ambiguity for business leaders. But all of them together? That feels more like chaos.

How do you navigate the uncertainty? How can you insulate your business from crises? How do you chart a path when the future is unclear? And how do you bring order to chaos when the old way of doing business no longer works?

Those questions are disrupting the practice of leadership, and they set the stage for the 2022 Insigniam Executive Summit. On June 7, thought leaders from nearly every sector met to explore how they can—and must—meet the challenges ahead. Here's what they learned.

The Rise of Stakeholder Capitalism

Today, a successful company is one that is doing well by doing good for all of its stakeholders, not just those controlling

the purse strings.

But navigating the new landscape can be difficult. Gone are the days of hard data, when balance sheets were made up of physical assets and the bottom line was all that mattered. Today, much of a company's value is made up of intangible items, like intellectual property, brand equity and digital assets, and reputation trumps profit.

Also gone are the days when executives sat in ivory towers and managed from the relative safety and anonymity of the executive suite. Today's executives are visible, vulnerable and, whether they like it or not, expected to take a stand on the issues of the day. For these executives, the success or failure of their company is sometimes just one tweet or viral video away.

"The biggest problem with this movement toward stakeholder capitalism is this: If we're human organizations with values ... how can we be values-based and also stay out of counterproductive, destructive and polarized political battles?" said Alan Murray, CEO of Fortune Media



SUMMIT
2022 Insigniam Executive Summit attendees and guest speakers in action (previous page).

Insigniam Quarterly Editor-in-Chief Shideh Sedgh Bina onstage at the Summit (left).

we think and act.

Researchers have seen some success with erasing memories in animals, or even transporting them from one brain to another. “Everyone believes we can choose what we do and don’t want to put into our brain, but our memories and perceptions are just as vulnerable as other things,” Mr. Cerf said.

2 | Brains can find meaning in complex data.

Humans experience the world through five senses, but there’s more to the world than we can sense. That doesn’t mean we can’t develop new ways of interacting with the world. For example, people can be trained to better understand and act on data through a series of vibrations than with a paper chart or graph.

“The brain has the ability to find meaning in data in a fast, remarkable way that could solve problems for us in a way machine learning can’t,” Mr. Cerf said.

3 | Our brains can solve problems while we sleep.

While you sleep, your brain is still actively processing information. That’s not news. >>>

and one of the keynote speakers at the Summit. “There is no easy answer.”

Mr. Murray, who has spent more than 40 years covering business and politics in the media, has seen a seismic shift over the last decade from the traditional, hierarchical form of leadership to a more transparent, relational leadership style. The new style requires executives to balance their attention between the interests of their shareholders and those of their stakeholders—customers, employees and even social media.

Raising the Bar for Leadership

Enter the reluctant activist CEO, someone who feels pressured into “taking public positions on environmental, social and political issues not directly related to their business.”

Human organizations are required to be more human. Therefore, today’s CEOs need to have values and opinions, and they need to stand for something besides profit and commerce.

“As an example, look at what McDonald’s

did in Russia,” said Mr. Murray. “They spent three decades trying to break into that market, and they voluntarily chose to pull out, not because of sanctions but because it was the right thing to do. To see McDonald’s give up that business and lose substantial amounts of money because of principles is pretty extraordinary.”

The stakes are high, but then they’ve always been high. You can only put company first for so long before you realize that what benefits society benefits business, and vice versa.

“The best companies have always had a strong sense of purpose beyond profit and focused on a broad array of stakeholders,” Mr. Murray said. “The difference about the current environment is it’s not a choice anymore. You have to do this, and the economic forces in place mean you won’t succeed if you don’t.”

Success, whether globally or in your own backyard, depends on having an infrastructure that empowers everyone within the organization, from the >>>

The breakthrough is that neuroscientists are learning how to read and write the contents of your dreams while you sleep, which could possibly influence behaviors or aid in problem-solving.

“One of the theories of dreams is that it’s a mechanism for simulating potential futures to see how we feel about them,” Mr. Cerf said. “When you make a choice, you may be bolder because you already have a feeling what the outcome will be.”

Insigniam Summit Guest BIOS



Alan Murray

Alan Murray has spent more than four decades covering business and politics for CNBC, *The Wall Street Journal* and *Fortune Magazine*. Today, he serves as CEO of Fortune Media, overseeing business and editorial operations. Murray also writes The Fortune CEO Daily blog and co-hosts the Leadership Next podcast. His latest book, *Tomorrow's Capitalist: My Search for the Soul of Business*, was published in May. [See Browser History, page 10.]

Natalie Nixon

Creative strategist Natalie Nixon, Ph.D., has been named one of the top 50 keynote speakers >>>

C-suite to the back room, to follow through on the corporate commitment.

“There’s a big disconnect between the intentions of many people running large corporations and what happens down on the ground,” Mr. Murray said. “The world moves too fast. You can’t wait for someone up at the top to tell you what to do. People have to be empowered at the edges.”

Chantal Sarmanoukian, head of Strategic Sourcing and Procurement at the Bill and Melinda Gates Medical Research Institute, agreed. “CEOs and senior leaders are learning to listen to individuals who may not necessarily have the experience, but they have the forethought or insights to consider all of the voices—the customer as well as the organization itself.”

A Return to Meaningful Work

Empowerment brings meaning, purpose and a voice to all—job qualities that many rank-and-file workers crave.

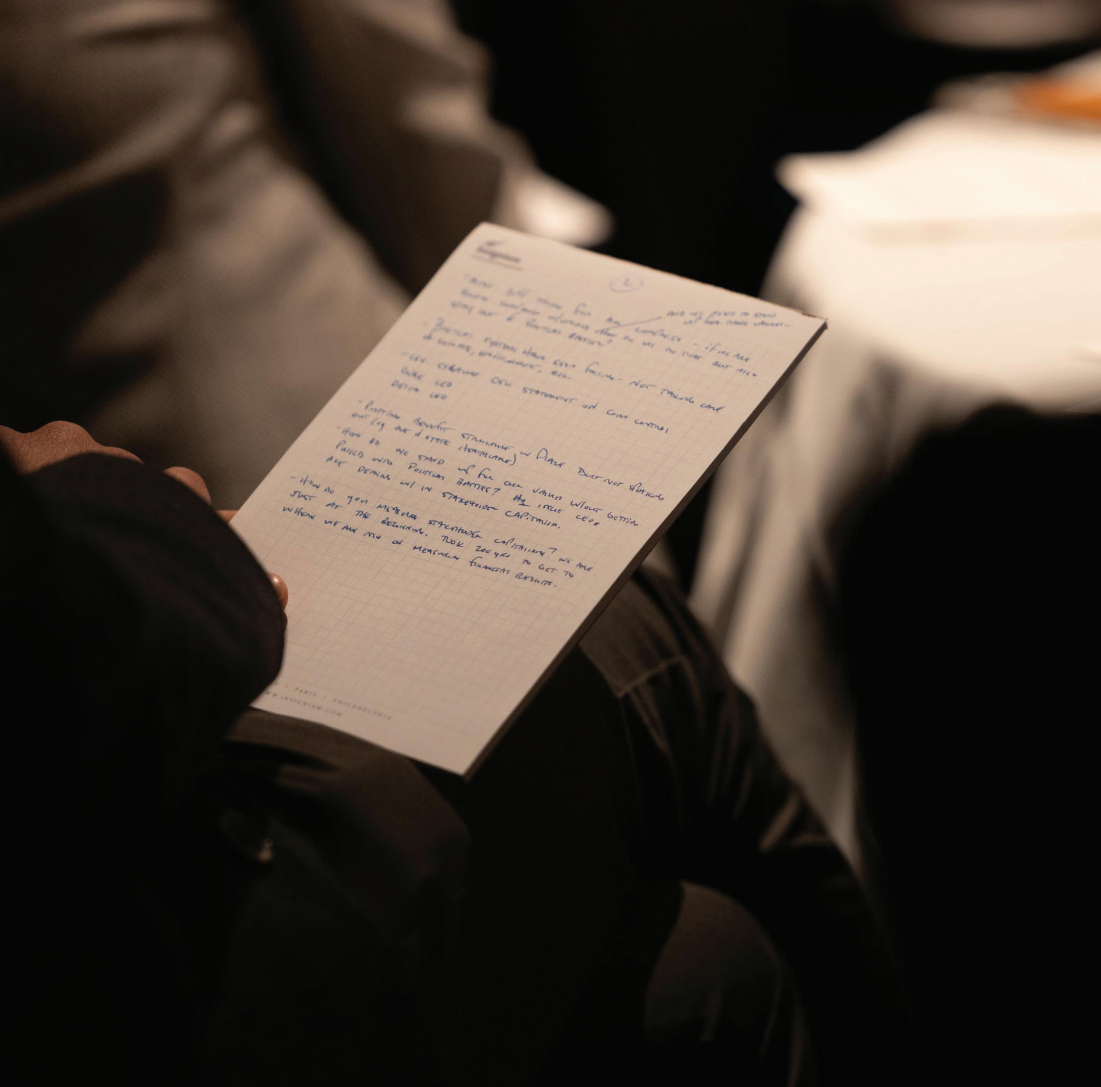
“We’re in the midst of the Great Resignation,” said Summit speaker Natalie

Nixon, Ph.D., founder and president of Figure 8 Thinking, a strategy advisory firm. “This is a symptom of people needing and wanting to work in much more meaningful and purpose-driven ways.”

That aligns with the idea of stakeholder capitalism and CEO activism. After all, people who want to make a difference choose to work with companies that make a difference. But how do you create meaning and purpose within an organization that is struggling to embrace the new normal?

Start by allowing time for invisible work. These are tasks that don’t produce tangible metrics but do increase productivity. Ms. Nixon called them the Three I’s—*inquiry, improvisation and intuition*. Together, they deliver valuable insight that can point the company in the right direction.

“Tweak your organizational design to allow time and space for more prototyping, pattern recognition, curiosity and inquiry. Normalize mistakes, and reward creativity,” said Ms. Nixon.



SEEKING FORTUNE
Summit attendees posed questions for Fortune Media President and CEO Alan Murray (left) and wrote down advice (right).

Make Room for Creativity

The World Economic Forum says creativity will rank as the No. 3 job skill for the next decade. In fact, Ms. Nixon believes it's at the center of productivity, technology and meaningful experience.

"Most of my clients have two out of three," Ms. Nixon said. "Maybe they're trying to figure out what tech platform to use, or how to bake meaningful experience into the organization. Creativity is the through line that will help us connect all three of those domains."

The idea of stepping away from the safety of a rigid business structure into something more creative can be scary. But Ms. Nixon believes creativity loves constraints.

Colleen Flesher is president and general manager USA of LimaCorporate, an orthopedic device company. She said her industry requires a lot of structure. "But when there are restrictions, it almost heightens the need for creativity. There do need to be expectations and guardrails, but you also have to encourage people to take

risks and fail. If you're not failing, you're not learning."

Ms. Nixon offered four ways companies can hardwire creativity into their culture.

- **Value soft skills** in order to attract and retain the best talent. "This is an opportunity to bring more of what makes us fully human to work."
- **Create an environment** where creativity and inventiveness are rewarded. "What if we tied them to our performance reviews? This type of systems thinking sparks curiosity."
- **Design time and space** for wonder and rigor. "Wonder is found in the midst of rigor, and rigor can't be sustained without wonder. Creativity is our ability to toggle between the two. You need space for both."
- **Learn to sit with ambiguity.** "You can't go around it, you can't go under it, you can't Gantt chart your way out of it. You have to be OK with not knowing all the answers." **IQ**

in the world. She's the founder and president of Figure 8 Thinking, a Philadelphia-based strategy advisory firm, and a thought leader on creativity, innovation and the future of work. Ms. Nixon contributes to *Inc.*, *Fast Company* and other business publications. Her most recent book is *The Creativity Leap: Unleash Curiosity, Improvisation and Intuition at Work*.

Moran Cerf

Moran Cerf, Ph.D., is a neuroscientist and business professor at the Northwestern University's neuroscience program and Kellogg School of Management. He is also a member of the Northwestern Institute on Complex Systems and the Alfred P. Sloan professor at the American Film Institute. Mr. Cerf studies the underlying mechanisms of psychology, emotion and decision-making. He holds multiple patents, is a Hollywood consultant, and has contributed to *Wired*, *Time*, *Forbes*, *CNN*, *NPR* and the *BBC*, among others.