

Jacob Morgan 00:00

So we have broke it down to a couple different questions about your your books. But is there something else that you want to make sure that I asked you about, like, anything present or current that you're focusing on?

Ori Brafman 00:13

I'm happy to talk about anything. It would be good to talk about. I started a collaboration with Tom Rath, who wrote the students find out.

Jacob Morgan 00:22

Oh, yeah. Tom Rath was a podcast guest a little while ago, too.

Ori Brafman 00:26

Yeah. So we started collaboration. So that was kind of fun to talk

Jacob Morgan 00:29

about. Alright, what's the clapper what he is doing?

Ori Brafman 00:33

So we bought 100 acres outside of DC? Oh, my God. Yeah, it's called the fully charged Institute. And I'm going to make it it's basically combining both my work on networks and Tom's work on well being. And argument really is. In order for the network to be healthy, each of the nodes needs to be healthy, and other people's health is going to affect our health. And how does that relate to culture today? Oh, COVID. Okay, all that kind of stuff.

Jacob Morgan 01:06

Alright, cool. So we're gonna make a note about that, too. All right, well, I'll get up, I'll push record to my camera, which is in front of me. When we're done, just don't hang up right away, because it's gonna upload your stuff to the cloud. And then usually takes like 10 to 20 seconds, not that long. And then just so I have your name and title and everything, or you Brockman, is that the right way to say it? Yes. Okay. And I have distinguished Teaching Fellow at UC Berkeley's Haas School of Business in New York Times best selling author. Sounds good. Alright, cool. All right. I'll good if I jump right in. Absolutely. All right. Hello, everyone. Welcome to another episode of The Future of Work podcast, my guest today Oreo Brockman Distinguished Teaching Fellow at UC Berkeley's Haas School of Business. And New York Times best selling author, he's written a couple of books, the starfish and the spider and also suede irresistible pull of irrational behavior. We're gonna be talking about both of those books and some other fun stuff that he's working on now, already. Thank you for joining me. Thanks for having me. Well, first, I have to ask, the world has been pretty crazy over the past few years. What when you look at what's going on as far as the world of work and business what, what do you think is going on? What are your general thoughts and perceptions?

Ori Brafman 02:31

What do you mean, things are going crazy?

Jacob Morgan 02:33

Are you talking about Everything's fine?

Ori Brafman 02:35

Everything's fine. Where do you begin? I think that one of the biggest forces that we're facing is a combination of decentralization, distributed power, and the increased polarization based on individual values. I think that it's a super interesting combination, which is very stabilizing for society. And also, at the same time, I think, very empowering to a lot of folks. So it's. And my, one of my books, it's the only book that's actually out of print I write about, it was called the chaos imperative. But it looked at the plague in Europe, and how the plague really set the stage for the Renaissance. And I wonder whether all of this chaos that's going on around us today, is potentially going to lead to a renaissance that we can't really imagine. So I would say those are the forces.

Jacob Morgan 03:54

I wait, question about that. So right Renaissance, in which way? Do you mean in creating better organizations? And like, just societal improvement? Or what? What could this kind of Renaissance look like for us?

Ori Brafman 04:07

That's a great question. I think that it could certainly be a renaissance in terms of society and art, and culture. I think that we are in a period we're reimagining the role of institutions. It's obviously an issue that there's so little trust in organizations. At the same time, I think that big institutions need to come to terms with the fact that, hey, if you're losing public trust, what does that mean? How does that change your behavior? Yeah, I think about kids are growing up today and imagining what's feasible in terms of societal change. For example, you look at BLM and The enormous amount of change that these protests have had, and the reckoning that we're having on a national and international level is pretty amazing. And I wonder whether that can lead to an exploration of what is feasible, and what can individuals actually do. As opposed to, like 10 years ago, where you're saying, like, wow, this, this is just gonna be the same here, there's gonna be the same. Yeah, it's just that things can be pretty upended.

Jacob Morgan 05:30

Well, and I think they're, so I very much think of the kind of the same thing. And I think of it is kind of a renaissance for organizations. For so many years, we've had these organizations where people just didn't like their jobs, they didn't want to show up to work. And now it's becoming so hard to find and attract people that I think organizations and leaders are finally realizing, Hey, we got to treat people like human beings. So I at least hope that there's going to be some kind of like a organizational Renaissance, where we create these, you know, great companies that treat people well and put people first I don't know, maybe not, but hopefully,

Ori Brafman 06:03

hopefully, and you certainly seeing that people are having more flexibility. And the people are. So because of the pandemic I think people are, I mean, I took stock in my life and say like, what am I

actually doing? Do? What do I enjoy? What's energizing to me? What's not energizing to me? What I want? I think the pandemic has been a forced midlife crisis and all of us. Yeah. Even Even my 20 year old college students, they're like, Okay, this really is making me Take Take stock of what's going on, like, and has empowered individuals in a lot of ways. I do you think that? Yeah, it's gonna have a reckoning with companies about how do you actually feed people?

Jacob Morgan 06:56

Yep. Let's talk a little bit about your first book. So starfish and the spider, I think, did that come out? 2006. Is that right? Yeah. Which is crazy to think that came out almost 20 years ago.

Ori Brafman 07:07

That is insane. Yeah, like, two decades.

Jacob Morgan 07:10

And that book was really all about leaderless organizations. And it's been interesting over the last 20 or so years. So after you wrote that book, and you know, we had a decade or two go by, when you think about concepts from that book, do you still believe in those concepts of decentralized leaderless organizations? Do you think they're still effective? Or is your perception changed at all over the years? I think it's all bullshit. Now. I suckers who bought it?

Ori Brafman 07:48

I, I'm actually surprised by just how on the god it was, to be honest. So the book argues that you take a spider cut off the head, it dies, you, you kind of the army starfish goes on back and think about it as a metaphor for business society. Everything from Alcoholics Anonymous to Wikipedia. And you think about so when the first book came out, I was in a plane to New York to go on shows for, for the launch. And this woman started talking to me. She's like, Oh, what are you doing? When are you going to New York? And like, that doesn't usually happen. Like it was just like, What are you doing on this plane, like? And I said, Well, you know, but my first book is really exciting. And she looks at me, she's like, I just don't get it. Why would anyone, why would anyone care? I'm like, Ah, and it kind of drains my energy so much. And she's like, people aren't gonna make money off this. Who cares? And of course, we look at almost 20 years later. And you look at politically, the Tea Party basically said that they use starfish as their Bible of how to start a political movement. You look at blockchain currencies, and you see them referencing starfish again and again and again. You see international protest movements. Really, everything from Occupy to the Hong Kong protests, of really following the formula of decentralization, and really that formula is at the harder that you find a decentralized opponent, the stronger it becomes, and the more powerful it becomes, and that it really changes the rules of the game. And using that even today, In stock market, you're looking at the look at GameStop, for example, and you don't have how, right? And all of these individuals who are able to very loosely coordinate without really a central leader, and the huge effect that they're having on the price of the stock, so I think you're seeing it everywhere. I don't think I even imagined just how much the world would change in the last six years.

Jacob Morgan 10:35

Alright, so you still think this concept of a decentralized leader this organization can do can do? Well,

Ori Brafman 10:41

I still think Well, yes.

Jacob Morgan 10:44

Well, we've tried to remember, like holacracy, and there was like, all these different types of models that emerged over the years. And I think companies like Zappos tried to implement things like holacracy. And they didn't go that well. So I think there's been like, I don't know, I'd say mixed, mixed attempts at organizations to try to revisit their structures. And I don't know, it's been kind of mixed, I think.

Ori Brafman 11:10

I think a lot because he's interesting. I think that where it gets super interesting is the combo special. So I don't I think that starting to see starfish organizations within spider organizations is going to be where it's really interesting.

Jacob Morgan 11:26

Yeah. Yeah. So okay, yeah, no, I guess in that case, and you don't hear much about holacracy anymore these days, do you? Yeah.

Ori Brafman 11:39

And I think it's Apple's had some, you know, some of their unique challenges. And I, I do wonder whether it can be implemented in, in a less extreme form, and, and have an impact?

Jacob Morgan 12:00

Well, so many organizations out there do have leaders, right, they do have managers. So how, maybe you, we can take a step back and explain the concept of what a decentralized organization actually is and how it operates. And if you have any favorite examples of organizations who who run in that way.

Ori Brafman 12:21

The best example probably, for our discussion is Wikipedia, as opposed to say, Encyclopedia Britannica. So inside the Encyclopedia Britannica, back when, when they existed, you have a bunch of experts who are writing these entries and writing these articles. And Wikipedia turns, it turns around and says, you know, what, anybody can contribute generally, and anybody can contribute, there's this very low bar is to make sure that you're the real person, etc, etc. And the reason the model works so well, is the concept of minimum, minimum marginal utility. So that no one, as far as I know, no one gets rich from binding Wikipedia articles. But there's a benefit because the, the cost of entry is so low, there's a, there's a benefit to just say, like, Hey, I have I have a article that that's up and you take some pride in it, in the same way that you might have pride in a YouTube video that you made or a tick tock video that you made. And the idea of decentralization as a more efficient way of coordination and a more efficient way for people to get stuffed up. So a spider organization will have a CEO who's in charge, a starfish organization will generally have what we call catalysts. So a catalyst creates a network and mostly gets out of the way. A spot organization will have siloed departments, a starfish organization will have a network where people are more organized around circles and abide by shared values, as opposed to simply a command and control.

Jacob Morgan 14:37

So can you so if you have a CEO, does that automatically make you a spider organization?

Ori Brafman 14:45

Depends, right. It depends how much power we wield. So there are extreme spiders and they're extreme starfish. Okay, extreme extreme spiders is think massive. Scout during the Cold War or mascot today, you're very top down, you give orders. And you're incredibly structured, and extreme starfish organization. hate to use the positive example, but you think about al Qaeda, or you think about some of the terror networks. So I present regularly at the Marines at the university and ask them, okay, let's say that you are fighting Nazis. And it's 1940. What do you do at 41? Well, you know, we, we invade Europe, we roll our tanks, whatever it is that we're going to take on this appointment. I said, Okay, now it's the year 2022. And you have to take on Nazis. I'm not talking about figurative Nazis. This is not like, making things. These are these are full on Nazis. How do you? How do you take them off? When they've become more distributed, and you have a toxic the horrible one in New Zealand, and they're there, they're loosely coordinated. And the been the videos of the attacks, promote other great other videos and create other ideas for projects? How do you take that on? It's a completely different animal,

Jacob Morgan 16:35

you know? Yeah, no, that makes sense. But, you know, I think a lot of so most organizations today, obviously have CEOs, they obviously have leaders in there. But I know a lot of these organizations are also trying to be a little bit more, not decentralized, but they're trying to give employees more autonomy, more authority, more freedom to make decisions. So is there some kind of in between between being a starfish and the spider?

Ori Brafman 17:02

Yes, the combo special? So how do you empower employees in the most effective way? How do you give them an opportunity to contribute? And really, how do you start changing the equation as opposed to just taking utility and extracting out of employees? How do you change that to, we have to give something back to employees. And it's interesting, this isn't just a nice to have, this is actually a way of making people more effective and productive. Because you're empowering individuals to actually contribute in an effective way.

Jacob Morgan 17:52

It's something I've been talking about for many years. And I feel like before, there was a lot of this mentality of like, oh, you know, it's kind of a nice to have it's not requirement. You know, I've talked a lot about employee experience. And now it seems like we finally got to a point where people are realizing that it's actually crucial to put people first to focus on their experiences to create a place where they genuinely want not where they need to show up to work each day. But I feel like it's taken a pandemic for a lot of leaders and organizations to realize that

Ori Brafman 18:18

isn't just seeing it's taking, it's taking people actually leaving and and employees realizing, hey, I can actually, I don't need to stay in this construct. And in this frame.

Jacob Morgan 18:33

Yeah. Yeah. Which is crazy. And it's, you know, now organizations are freaking out. They're calling that the Great Recession, recession. And I've heard people say, it's not the Great Recession, it's actually the Great Escape. A lot of employees are escaping their organizations where they were not happy there. And now we're starting to figure out what do we need to do to get these people back? So oh, sorry, we look at you're gonna say something. Yeah, I agree. Okay, so when we think about this kind of the starfish and the spider model, I'm trying to think about, obviously, organizations that have a CEO, and their mid are larger in scale, they're not all of a sudden begin to come decentralized, right? They're not going all of a sudden going to get rid of their CEO and say, We're switching our model to networks. And you know, we're not going to have a hierarchy anymore. How do you go about not becoming complete starfish, but starting from like, if you're very hierarchical, to becoming less hierarchical, right, being that in the middle kind of company.

Ori Brafman 19:32

So over the last 12 years, I've been working a lot with Department of Defense, and you think about the military being very hierarchical. And even the US military is realizing that in order to be more effective, they need to be more starfish and more decentralized. And you have arguably the most powerful organization that's ever existed in history. of humanity in terms of their ability to exert their will and other people. And what's happened is they've been encountering these networks, and not being a successful at actually fighting a war with a network. Now, the military realize that in order to fight starfish, they need to be more starfish themselves. It doesn't mean sell off the Pentagon and take away hierarchy, which is kind of, I think, the extreme that Zappos went to, right? It's in the military, and you're like, Okay, now we're command, everyone, let's forget to step out, like, it doesn't take a lot of imagination and genius to be like, Okay, that's not gonna work. Like if you're taking a piece of equipment, and you need to mobilize it from Kansas to somewhere in Asia, like, you want a very commanding control system doing that. But if you're talking more about decision making, on the ground, you actually want that to be a more starfish decentralized approach. So within the hierarchy, you maintain the hierarchy for the things that hierarchy is very efficient for, but you an able starfish for things that that that it is more efficient for. And some of those things are creating a sense of imagination. Okay. So being able to be closer to knowledge is at the edge of the network to be able to respond to that knowledge. And to say, like, hey, this, this is the way that the world is actually changing, to be able to draw creativity from individuals to empower them in certain ways. And I generally think that in terms of hierarchy, hierarchies, very good for the what? You don't want a million people in the room deciding what to do you want that very centralized? Yeah. The how is actually very good at being distributed. Okay. And what we tend to do is we tend to centralize the how, and decentralize the what, Alright, everyone, okay, this is a suggestion box, what should we do? And, and then there's like, Okay, here's how you're gonna do it, it should be the opposite, like, be very, very specific about the work and then distribute the how, and empower individuals to organize that.

Jacob Morgan 22:50

So it's kind of like it makes me think of that is sort of the idea of a leader, right? I mean, a leader's job is to kind of set the destination and to help other people create, you know, supposed to be helped set the destination and allow people to figure out how to best get to that destination. It sounds like that's the ideal scenario. Don't say, hey, where should we go? You set the goal, and you help everybody else figure out, okay, this is where we need to go. How are we actually going to get there?

Ori Brafman 23:16

Exactly. And we're also getting into this interesting world, where you're combining a lot of forces you take into decentralization, you taking cryptocurrency, you taking the metaverse, and for good or bad, I think people are going to start kind of living their lives and doing work on in that environment, which is very conducive to decentralization. And all of a sudden, if they're using their own internal currency. What does that do? Like? I think about if I'm a kid in, in Germany, and I know that there's people who want to learn German in America, like can I set up my little German tutoring? Course, whether it's on Facebook, or meadow or whatever, or another platform, I can start accepting payments using tokens. I I'm pretty autonomous all of a sudden. And what does that do to the labor force? And what does that do as a competitive force to other companies that are much more spider I say that if you don't know who the starfish is, in your industry, you're like the poker player who doesn't know who the worst player at the table is.

Jacob Morgan 24:50

So you should know. So I guess that's something for people to take a step back and just kind of think about who is the starfish in your company who's the spider in your company? And then what What are the benefits of people might be wondering, well, what why should I become the starfish? What's, you know, why bother doing it?

Ori Brafman 25:06

Why bother doing from an economic perspective? It's more efficient? It's a short answer. Okay? The longer answer is that someone will enter the if someone else will enter the industry and be more starfish, because it's a more efficient way of getting things done, and they'll eat your lunch.

Jacob Morgan 25:37

That's a good enough reason.

Ori Brafman 25:40

Right? Think about music industry or, and back in the 2000s, and pirating. And all the money was in in records, and those who are very protected. And also those, there's so much pirating going on. And that we're seeing a world where the money is no longer necessarily making records. The money is in live shows. Think about Encyclopedia Britannica. People would say like, do you remember like growing up and having an encyclopedia?

Jacob Morgan 26:19

I do. Yeah, unfortunately.

Ori Brafman 26:21

Yeah. Right. When was the last time you bought an encyclopedia for your family?

Jacob Morgan 26:25

Can you still even buy one?

Ori Brafman 26:27

No. They don't sell anymore, Botanica when I have business. She's and industry after industry is good. It first affected the technology, highly technological industries. And technology is a huge enabler for decentralization. Yeah. But I think it's going to affect industry, after industry, after industry, because it's just a more effective and economically efficient way of getting things done.

Jacob Morgan 27:02

Yeah. Alright, let's switch gears and talk about your other books sway the irresistible pool of irrational behavior, which I thought was a very interesting book, what made you write that?

Ori Brafman 27:16

So after about starfish, and some sweet it looks at takeaway, centralization, and really understand how, how people interact with each other through the lens of networks. And once you look at people from the from the network, then you look at each node of the network and say, Okay, how do people actually make decisions. And we have this. So I teach at a business school, I went to business school, we have a little bit of a myth department, and that MIT department is economics. It it's the only department that people win Nobel prizes for, for proving exceptions to the rule. So people don't behave in in classic economic fashion. They behave based on emotions, and based on psychological forces that we need to acknowledge. Which is kind of where behavioral economics comes in. And in that book, we looked at one of the most interesting stories was a story of this guy named Jacob van Zanten, who was the head of safety for KLM airlines.

Jacob Morgan 28:46

I remember that story.

Ori Brafman 28:49

Right. And he's flying 747, he just finished teaching a course on airline safety is playing gets diverted to this tiny little island. He starts stressing out about getting out of there on time, because he's known as being the on time guy. And he tries to do everything he can in order to to get out of the airport on time. And finally, the diversion gets lifted. And he rushes to the end of the runway. And he's sitting at the edge of the runway and there's a fog that that goes over the airport. And that's when Vanzetti does the unthinkable. And again, this is the head of safety for KLM. He takes off without clearance into a foggy runway as as he takes off. There's another plane that's blocking the runway, causing the biggest loss of life accident in aviation history. And you think about how can the head of safety Kaelyn do this thing. And it sounds like he was a bad pilot, and sound like he was drunk. It's these forces apply to all of us. And if they apply to the head of safety of the airline, they're also going to apply to me. And I need to look at things from that lens of the forces that really affect our behaviors.

Jacob Morgan 30:28

So what, what are some of those forces?

Ori Brafman 30:33

Some of the big ones are, so the first one that we've talked about is loss aversion. This notion that we experienced the pain of a loss much more intensely, then we feel the the joy from a game. So we go to extremes to avoid a potential loss. And you see that everything everywhere from consumer pricing, to stocks to sports, where you're so afraid of losing, even look at Vietnam War, where Johnson LBJ was so afraid of losing the war. That changes behavior to from basically cutting it and getting out to how to avoid that loss, you have the concept of consistency. So once you're bought into something, once you've already started on the path, it's very difficult to cut. We are invested in something and we have too, too much of an attachment to it. You think about that, again, investing in happens all the time. Or you have an employee that's not great, but you're like, oh, gosh, I've invested so much of my energy on this.

Jacob Morgan 32:12

And heavy when you're watching a show on TV, like a Netflix show. And you know, the show sucks, because you've already watched three episodes and you're thinking Damn it, man. I gotta watch the rest of it, even though it's terrible.

Ori Brafman 32:21

Oh, my gosh, yeah. Tony, obviously, right? You're like, you're hate binging and you're like you hate yourself for doing it. But you're like, I'm already I gotta, I gotta see what happens. You got to see what happens. And you tell us up like, I'm the kind of person who's once you make a commitment. The commitment, you have the role of fairness, how we need things to feel fair, and you think about bad in the job. And in the workplace, how, if people don't think things are fair, they become very irrational. And this is why it's so important to have a process that feels just to people. And these are forces that play on us every single day all the time. Yeah, we just need to recognize that they play that big role.

Jacob Morgan 33:22

And so what do you do? I mean, obviously, in the case of this pilot, the forces kind of made him do something completely crazy. So what do you do? I mean, are we just supposed to be aware of the forces when they're happening? We kind of take note of them and not let them take controller, you know, just obviously, knowing the forces doesn't help you avoid them.

Ori Brafman 33:44

Right. So the policy is super interesting, because that incident actually fundamentally changed the aviation industry. Oh, did. So we look at the parliament, and we could say, Okay, well, you know, if he was aware of, of, of, of his own psychology, maybe he wouldn't have made the decision, but I'm like, I don't know. Like, I've been in pretty stressful situations, and I felt loss aversion in different situations, it's very difficult to, to spot it yourself. What is a more effective measure is, you look at the others around you in the team. So when you look at van Zanten, from KLM, again, this I, I asked a question of what was it like, in the cabin with him? And when asked us in corporate audiences, people are like, Oh, I bet he was. It was a tyrant to an event like very quickly vilify this, this this poor guy, because he wasn't he was actually a nice guy, very, very sincere. The issue was that he comes in With this title of head of

safety, now think about being the copilot in that airplane. And he's saying we're taking off. And the copilot actually says like, wait a second, we don't have clearance. And the the, the cactus is like an overcoming anyways, how do you empower the copilot to be like, we're not going, how do you empower? There? There are four roles that people play in any group. The first one is initiator, someone who says like, hey, let's do something this is, let's go to Disneyland. And then you have the supporter who says, oh, no, that seems like a great idea. You have the observer, who's like, oh, seems like you guys want to go to Disneyland. You have to block or she's like, No, that's a horrible idea. This land is closed, or we're in the middle of a pandemic, or whatever reason. Yeah. And you have the tension between the initiator and the blocker. In the KLM example, the blocker wasn't given enough of a voice to be able to say, like, No, we're not taking off into into this, this, this foggy runway. And again, I can tie this back to even how the US military when, when they were thinking about the invasion of Iraq, and they had the plans and the plans were like, oh, yeah, we're gonna invade, it's gonna be great. I was gonna wave flags and congratulate us, it's gonna take a couple of weeks. And there were folks were like, No, this is gonna be, you know, I don't know, if they even guessed that it would be a 20 year involvement, but they're like, this is not going to be what you guys are saying. And the block was was silence. And the military took this so seriously, that they actually created an entire university within, within the Army to give voice to the blockers. And in airplanes, there's something called cockpit cockpit resource management, which is, you systematize specific actions were about to take off, you have to be tucked off. And to give the specific members of the crew have voice in case something is going off script or in case something is being irrational, and you kind of tied that back actually, to the composition we just had before around starfish. So in order to be more efficient and effective in the crew, you need to empower the copilot. Yeah, you need to empower other members of the flight team so that they can alert you when something terrible is about to happen.

Jacob Morgan 37:56

Yeah, well, I remember because one of the things that you talked about in the book is there, you actually need people to be blockers or dissenters, you need people to challenge you. And if you don't have that in your organization, you have a bunch of Yes, men who just agreed to whatever you say needs to get done, then it starts to create problems, right?

Ori Brafman 38:15

Yes, and the challenge is that no one wants to be a blocker. Like, when was the last time you're like, oh my gosh, I had a meeting with someone. And they told me that all my ideas really sucked. And my gosh, I feel so, so great about that. So how do you protect this role? That in our society is so underrated?

Jacob Morgan 38:38

I don't have an answer for that. I have no idea. I think we're trying to give them cool names. Now I don't we call them like change agents or catalysts now. Yes, exactly.

Ori Brafman 38:47

So we're trying to give them cool names. We're trying to create a system to explain why they are important. But it's really easy to minimize their rules. And it's really easy to collectively become irrational as an organization.

Jacob Morgan 39:11

So for people who are watching and listening, and they're thinking of this for themselves for their careers as well, what's kind of a big takeaway for them? Is it to be aware of what these these things are that can make you do irrational things and just be aware that they're happening and stop them? Or what's the, what do we actually do as a result?

Ori Brafman 39:31

Always be aware of the psychology of the situation. Okay, and that we're always affected by even very rational people are going to be affected by irrational forces. And just like if you don't know who the starfish it is, in your industry, you're in trouble. If we don't know the ways in which you're rational, you're in trouble.

Jacob Morgan 39:56

Okay, so let's go into a little more detail on that one. So if you don't know the ways in which you're irrational, you're in trouble. So what does that actually mean? How do you start to figure that out?

Ori Brafman 40:07

Think about your investing. How much of your investing is based on loss aversion? You don't want to sell a stock or investment I did last and you're gonna keep on? That's happened to me. Yeah. Think about the people who work for you, how much are you committed to a course of action? Despite the fact that it may or may not be the best course of action?

Jacob Morgan 40:41

Yeah.

Ori Brafman 40:42

Think about in your company and your organization. Like, how often you say, like, hey, that wasn't fair. And you get bent out of shape about that. Because it because of fairness, not because it's the rational thing to do, or the rational thing to do. And just understand, these are the forces that play with all of us. And we kind of put on these these kind of pretending like, oh, you know, what, these are other people that are rational, we're refined, rational. And

Jacob Morgan 41:19

so once you understand the psychology of the situation, and you understand the things that make you irrational, then what do you do?

Ori Brafman 41:28

Then you create systems to overcome that irrationality that can be inherent to the irrational.

Jacob Morgan 41:35

So what what might that kind of a system look like?

Ori Brafman 41:39

So we talked about empowering blockers in organizations, and what that might look like. He took a look about I mean, this is something going on in our society to save on fairness. So how do you create procedural justice, which is the notion of people feeling that they truly do have a voice and that there's a system that allows their concerns to actually fully be heard? You recognize that it's going to be a part of one of the things we looked at is hiring and how horrible we are at making hiring decisions. Like, we completely suck at it. And we all want to tell ourselves that we're really good at hiring. But we're really not. And the two approaches that you can have for hiring that are effective is look at someone's actual experience. As and you see companies starting to implement this, and how would their experience would actually be used in in in a given scenario. And the second element is having a very structured interview process with pre scripted questions, and I teach a course on improvisation, which is weird for me too, if I talk about like, this needs to be scripted is it to be a group process because a group a group interview, is going to pick out more variants than one individual sitting, and just kind of asking someone about whether or not you enjoy selling, I enjoy selling too, let's talk about that for a while, that's not going to be a predictive at all, in terms of how someone's going to do in the company.

Jacob Morgan 43:43

Okay, so I think we covered a lot of different things about both books and kind of the universe anything else to actually there was one other thing, looking at my notes here from from sway. And it was the point that you made that perceived value is the same thing as real value. And it's one of the things that I talk about a lot as well, where perception is reality. And the case, the example that I always give is that it doesn't matter how good of a leader you think you are, if people who work for you don't think you're a good leader, you're not a good leader. So I thought you could maybe expand on that topic a little bit around what does it mean when you say perceived value is real value? And how do we know, how do we make that distinction between the two for the between the two for ourselves?

Ori Brafman 44:26

So, once we, once we assign a value of one to have value of division towards a person, or thing, we tend to stick with that value perception. And one of the stories we looked at is Nathan's hot dogs and how when when he started out in in Stan it had this kind of recipe for hot dogs and realized that he could sell them for five cents. and no one really wanted them because although the hotdogs were more expensive. So then he doubles the price to 10 cents. And hires a bunch of folks who are dressed in kind of doctors, uniforms. Stands are markets and all of a sudden, it becomes a thing that we know, today, because you have the perceived value of 10 cents, being more than five cents, and you have the association with medical professionals. Now you think about let's look at two elements, one from the company perspective and one from the individual perspective. So from the company perspective, think about your products. What is the perceived perceived value of your product? How are you marketing it, and people aren't going to just make a decision based on pure economics, people, oftentimes, when given the choice, they'll usually choose the medium version, whatever it is, whether it's clothes or popcorn at the movie theaters, you'll choose Media. The other implication of this is on an individual level. And think about how you're perceived in your company. And pay incredible attention to creating your perceived value from the beginning. And I would say, if you have a low perceived value in your organization, it might be time to think about getting a different job. Because once you see that person, like, I mean, I love stories where where you see someone who's like, you know, the receptionist, and now they're the executive suite. And those all make us really happy. And at the same time, have also

seen a million cases where someone has that talent, but because they're in that organization, because of had a lower job. They can people can never see them as executive material. And that when you go into a new job, and you start with a new title, people always see you in in that title.

Jacob Morgan 47:30

Yeah, and it sounds like you can't. If your perceived value is a certain way, it's really hard to then change what your perceived value is, right?

Ori Brafman 47:40

Yes, people, people. And this is where the different irrationalities combined. So you have the perceived value, then you have commitment, right. And then we have our own loss aversion, and we're like, I don't want to lose this job because I, for whatever reason, I. And that's when we start getting in into real trouble and think about that. I mean, I know I have friends. It's interesting. So I have friends. I want if you have the same thing where I've friends from before I wrote books and friends from after I wrote a book. And the friends that I have, I've I'm working on a couple of potential openings to the next book. And I read them to a couple of friends who knew me from before abroad and a couple friends who knew me from after. And the friends who knew me from after were like, Oh, wow, this is amazing. This is fantastic. This is great. You know, like, whenever you're writing, it's fantastic. And it was fun before like, well, I don't get it. Like I mean, they know that I've sold a couple of books. They know that I can write but they still don't look at me as a writer. I don't know if you have that yourself where any kind of pre book and post book friends.

Jacob Morgan 49:08

Yeah, that's that's happened. I mean, it's it's really interesting, just the types of feedback that you get from different people and people who've known you, you know, from from you're younger versus people who know you and you're more kind of a business professional. So yeah, I've had very similar experiences. I totally get it. We only have a couple minutes left. So I want to touch on one last thing. I understand you're working with Tom Rath, who has also been a guest on the podcast. Maybe you could share a little bit about what you guys are up to together.

Ori Brafman 49:35

Sure. So Tom and I decided to join forces and

Jacob Morgan 49:41

had you connected by the way

Ori Brafman 49:45

he endorsed my second book sway and is a phenomenal human being, who I'm a huge fan of. And then he reached out when he He wrote when he wrote his his next book, and just kind of one feedback, and we started a correspondence and then eventually met in DC, and realized that there's actually a really interesting intersection between our work. So my work is on networks and looking at specific nodes and how they're going to behave within that network. And Tom writes extensively about well being. And when you combine those, when you look at the efficacy of a network, you have to look at the health of each node of the network, it's going to be incredibly important, not only for the health of

the overall network, but also for your own health as well. So that in your network, if people are feeling drained, that's going to actually drain you. And that in order to energize the network, you need to energize yourself. So we opened 100 acre center outside of DC called the fully charged Institute. Is it any open? We're just opening it? Yes. It it's, it's finished. And now. I assume that COVID actually is reopening. It's ready to go. So we're launching it.

Jacob Morgan 51:24

I'm looking it up as we speak the fully charged Institute. Yes. Okay, I see it here. Charging lab.com. It's hard to calm. Interesting. Okay. And so what what happens here?

Ori Brafman 51:38

So we realize that a lot of the work that we do, is, we talk about networks, we talk about energizing folks. And oftentimes, it's like, in these hotel rooms, and I think it's hotel or teleconference rooms, where it's like, you know, there isn't a window inside. There's doughnuts and coffee, and you're like, Okay, everyone, and energize your network and realize that we wanted to do a lot more of our work in somewhere that is closer to nature, is open, has gives the people the ability to actually interact in different ways. And what we've observed is, especially as we're emerging out of the pandemic, people used to rely on very, kind of basic tools for culture. Yeah, right. Like, your like bright walls, ping pong table. And those are not good enough in today's world as we're becoming more distributed as organizations. So companies bring together their leadership teams, and talk about both the culture in an intentional way, but also about how we can better energize individuals in the team and individuals across the organization.

Jacob Morgan 53:04

Okay, got it. Very cool. Yeah, I was just on the website looks Fascinating. Well, Henri, we are pretty much at the top of the hour. Where can people go to learn more about you check out your books and some of the fun stuff that you're working on.

Ori Brafman 53:17

You can check out my website, it's already brosmen.com and charging lab.com for the fully charged student and you're invited, you have to come visit Jacob.

Jacob Morgan 53:27

I would love to Yeah, that sounds like a lot of fun. I was just looking at the pictures on the website. I mean, it looks beautiful. It's one of those places where you get that you probably won't want to leave.

Ori Brafman 53:36

Yeah. Awesome. It said Yeah.

Jacob Morgan 53:39

Yeah. Cool. Well, thank you so much for joining me. Thanks, everyone for tuning in my guest again, Ori Brafman, make sure to check out his books. And you can check out his new institute that he's working on with Tom Rath and I will see all of you next week. All right, we are all