

NANO TOOLS FOR LEADERS®

The Benefits of Meditation: Better Choices, Better Outcomes

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes — with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

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THE GOAL:

Sharpen your ability to make better decisions and lead more effectively by practicing mindfulness meditation.

NANO TOOL:

It's being touted by CEOs including News Corp.'s Rupert Murdoch, Ford Motor Company's Bill Ford, Aetna's Mark Bertolini, and Salesforce.com's Marc Benioff. Mindfulness meditation, an ancient practice that helps people focus on the present moment rather than get caught up in thoughts about the past or the future, has been shown to reduce stress, improve focus, help regulate emotions, increase cooperation and team-building, and lead to better decisions.

Research conducted at INSEAD and the Wharton School, and published in *Psychological Science*, found that even short-term mindfulness meditative practice of about 15 minutes can help you make better decisions. Specifically, the study found that meditation can help counteract sunk-cost bias, the tendency to continue to spend resources in an attempt to recover an original investment or to break even. Commonly known as "throwing good money after bad," the effect is recognized as one of the most destructive cognitive biases affecting organizations today. It's also one of the most common and costly, causing leaders to base decisions on past behavior and a desire not to waste resources already spent, instead of cutting their losses and choosing what would lead to the best outcome.

Short periods of meditation help raise resistance to this problematic decision process and open the way to more rational thinking. The practice encourages people to make more rational decisions by considering the information available in the present moment. Meditation reduces focus on the past and future, and this psychological shift leads to less negative emotion. The reduced negative emotion then facilitates their ability to let go of "sunk costs," leading to a better perspective and smarter decision-making.

ACTION STEPS:

How to practice mindfulness meditation:

1. Choose your environment: move away from distractions such as a television or computer, and get comfortable either sitting on the floor or on a chair.
2. Sit upright comfortably — you don't need a perfectly straight back. You can either close your eyes or gaze at an object in front of you (but don't stare).



3. Bring your attention to your breath without changing the way you are breathing. Simply focus on inhaling and exhaling. When your mind wanders, gently and non-judgementally bring it back to your breath. Continue to focus on your breath, acknowledging and letting go of thoughts as they arise, for ten to fifteen minutes

Fitting meditation into your day doesn't necessarily require you to set time aside. Try one or more of the following to add short meditation sessions into your daily routines:

1. At a red light: turn off distractions such as your phone or the radio and focus on your breathing.
2. Before an important meeting: spend a few minutes centering your mind on your breath in the present moment, not about what might happen later.
3. While walking: being in nature is itself a stress-reducer. When you focus on your breath while walking outside, continuously bringing your mind back to that focus, you increase the benefits. But if you can't get outside, use an indoor walk to practice mindfulness between meetings.

ADDITIONAL RESOURCES:

- "Debiasing the Mind Through Meditation: Mindfulness and the Sunk-Cost Bias," Andrew C. Hafenbrack, Zoe Kinias, and Sigal G. Barsade, *Psychological Science*, February 2014. Reports on four studies (one correlational and three experimental) that suggest increased mindfulness reduces the tendency to allow unrecoverable prior costs to influence current decisions.
- "Mindfulness Practice Leads to Increases in Regional Brain Gray Matter Density," Britta K. Hölzel, et al., *Psychiatry Research*, January 2011. Reveals that participation in mindfulness meditation is associated with changes in gray matter concentration in brain regions involved in learning and memory processes, emotion regulation, self-referential processing, and perspective taking.
- Sigal Barsade is faculty director of Wharton's [*High-Potential Leaders: Accelerating Your Impact*](#). She also teaches in [*Women's Executive Leadership: Business Strategies for Success*](#), [*Advanced Management Program*](#), and [*Executive Development Program*](#).

ABOUT NANO TOOLS:

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton's Center for Leadership and Change Management, Wharton Professor of Management Michael Useem, Director. Nano Tools Academic Director is Professor John Paul MacDuffie, Professor of Management at the Wharton School and Director of the Program on Vehicle and Mobility Innovation (PVMI) at Wharton's Mack Institute for Innovation Management.