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By Del Jones

## **CEOs tell all with their faces**

Look who has his feet to the fire. It's Phil Knight, the world's most successful shoe salesman.

The Nike chairman is being interviewed on camera about outsourcing jobs to Indonesia. The grilling would make any executive squirm and worse is that interviewer Michael Moore has built his career on embarrassing those in power. Moore asks if Nike might accept lower profits if it means providing jobs to Americans, then he ambushes Knight with two airline tickets to Indonesia, seemingly so they can inspect shoe factories together.

It's choreographed to be an awkward moment. Knight declines the trip and says Americans don't want jobs in a shoe factory. But it's his facial expressions, not what he says, that tell the most, says Dan Hill, an expert in facial coding, a system of seeing through the mask by classifying hundreds of tiny muscle movements in the face. Based on facial clues, Knight experiences little discomfort. Far from it. Rather, he appears to be enjoying the joust with Moore, Hill says.

Facial coding is not an exact science, and is only now starting to find business applications. It dates back to the 1960s when San Francisco psychologist Paul Ekman found that expressions are learned early and are the same in Japan and Argentina as they are in the United States.

Animators have embraced facial coding to make characters such as Shrek seem human. But imagine how facial coding might catch on if stock investors were able to determine if a CEO is fibbing about an earnings forecast.

No one yet suggests that facial coding is anywhere near as reliable as a polygraph, but it could signal when a CEO says one thing while suppressing an emotion that says another.

So far on Wall Street such strategies have barely moved ahead of palm reading as an investment strategy. That might be changing. A paper called "The Face of Success" published in February's issue of the journal *Psychological Science* found that students who looked at photographs of Fortune 1,000 CEOs were able to identify the most successful.

They knew nothing about the executives before looking at the photos, but used naive judgments to rate them on traits such as competence, dominance, likeability and trustworthiness, says co-author Nicholas Rule, a psychology professor at Tufts University.

What he found was that students fairly accurately identified leaders just by looking at them, a result that was even more striking because almost all the photos were of Caucasian males and uniform in appearance, Rule says. However, he stops short of recommending gut reactions to CEO photos as an investment strategy.

Not Stephen McClellan. He was a Wall Street investment analyst for 32 years and author of "Full of Bull: Do What Wall Street Does, Not What It Says, To Make Money in the Market," and says he used an amateur version of facial coding for years and often employed his gut feeling about CEOs from examining TV interviews and newspaper photos for traits such as candor, humility, hubris and flamboyancy.

Johnson Controls CEO Stephen Roell, whose wife is a psychologist, says facial coding may prove accurate, but he has found analysts and shareholders to be so good at detection that it's foolish for CEOs to try deception.

Deborah Ellinger, CEO of Wellness/Old Mother Hubbard pet food company, is a believer in reading body language and facial expressions, and the CEOs she knows aren't all that expert at hiding their true feelings. Many CEOs are passionate, expressive and "no better at poker" than the rest of us, she says.

After the Sept. 11 terrorist attacks, the State Department, military interrogators and the Transportation Security Administration pumped a lot of research money into facial coding. It could prove to be a lucrative investment tool, Ekman says, but that can't be determined until someone puts up \$500,000 to \$1.5 million to fund a research project so that CEOs faces can be videotaped and analyzed today, then compared with financial reports and other information that becomes public a few months later.

So far, no one has wanted to put up the money, even though facial coding may be more applicable to investing than it is to national security. Facial coding is too imperfect to stop 100 percent of bomb plots, Ekman says, but there could be fortunes to be made by venture capitalists who gain a 10 percent edge.

### **Candidate clues**

It is presidential season and Hill, president of Sensory Logic and author of a book about facial coding called "Emotionomics: Winning Hearts and Minds," has been in demand to find clues in the faces of the candidates.

John McCain forces smiles and, true to his reputation, angers easily as demonstrated by puffed cheeks and a chin thrust upwards in disgust, Hill says. Hillary Clinton smirks, an

expression "she oddly enough shares with President Bush," which conveys an attitude of assurance bordering on superiority and smugness.

Barack Obama has the best true smile, but flashes it rarely for someone who speaks of hope, and Hill sees flashes of disdain, aloofness, disappointment and exasperation.

One reason investors may be slow to use facial coding is that it has been difficult or expensive to secure video of CEOs. But YouTube is changing that, and at USA Today's request Hill took a break from politics to examine videos posted on YouTube of about a dozen well-known CEOs or chairmen. They averaged 42.5 percent positive expressions, which is slightly better than the 35 percent to 40 percent positive expressions among the 1,200 people studied by Sensory Logic the last two years.

The video Hill watched of Moore interviewing Knight reveals that the Nike chairman enjoys the wrangle, because almost 70 percent of his expressions are positive. Hill sees few signs of anger or disgust from Knight in the video. Are there signs that he is hiding the truth under pressure? Very few. "There," Hill points to the screen. "He tried to hide his reaction by putting his hand over his mouth."

Knight's smile is "true" with twinkling eyes and crow's feet, Hill says, not the social smile we can all manufacture to make the best of the situation. Knight is rarely photographed or seen without sunglasses, so the Moore interview offers a rare look into his eyes.

"The eyes, indeed, are the window to the soul, the basis for detecting a true smile, forms of anger and surprise," and people who wear sunglasses all the time are often avoiding scrutiny, Hill says.

But Knight's eyes reveal positive traits, causing Hill to wonder if they sunglasses mean he is shy or hiding another discomfort such as "wandering eye," where people must strain to make eye contact.

Billionaires Bill Gates and Warren Buffett also have a high percentage of positive expressions. At the other extreme is Oracle CEO Larry Ellison, whose expressions were 100 percent negative: 38 percent frustration, 23 percent dislike, 19 percent sadness, 15 percent anxiety and 6 percent skeptical, despite being worth \$26 billion.

Ellison was interviewed by Charlie Rose, who does not lob softballs, but neither does he ambush with plane tickets to Indonesia. Close your eyes during the interview and Ellison sounds confident and assertive. But Ellison was the only CEO among those tested without any "smile activity," Hill says.

"Ellison is really grim, nervous. He's driven and determined. He shows anger and arrogance on his face," Hill says. "I would not consider this an open person, the opposite of an Oprah. See how his eyebrows are pulled together. This is someone who is not very comfortable in his own skin."

"There," Hill gestures at the video. "He brings up his lower chin, a chin raiser, and he pulls his lips together with anger and some disgust and sadness mixed in." When Rose asks a question about the changing world, Ellison's mouth "pulls wide in a quick flash of fear."

Ellison and Oracle declined comment, as did these other CEOs and chairmen Hill examined:

Amazon.com CEO Jeff Bezos was evenly split with 51 percent positive and 49 percent negative expressions. He had 20 percent true smiles with laughter, but they were combined with the lowering and knitting of his eyebrows and the wrinkling of his nose. Net effect: "Enjoyment tinged with disgust and negativity," Hill says.

Microsoft Chairman Gates was 73 percent positive. He was at ease, affable and low key, but displayed "small, weak social smiles, and touches of contempt."

Berkshire Hathaway CEO Buffett scored 69 percent positive and was affable, assured and low-key. He also had many weak social smiles and "a fair amount of smiling while making ironic comments," Hill says.

Dell CEO Michael Dell was 47 percent positive and "strikes me as chagrined and a little defiant." He managed some weak smiles, but they came in the vicinity of skepticism.

Apple CEO Steve Jobs scored 48 percent positive and topped all CEOs examined for making no attempt to hide his emotions. Apple employees don't have to guess what this CEO is thinking. "Lots of emoting, enjoyment mingled with frustration," Hill says.

News Corp. CEO Rupert Murdoch scored 83 percent negative. Lower chin raises show disgust, tightened lips anger. "He knits his eyebrows together very severely, a sign of anger, but also fear and sadness."

Donald Trump was 84 percent negative, second to Ellison. Hill says he smiles while making negative comments that show disgust, contempt and skepticism.

## **Global expressions**

Ekman's original research 40 years ago found that facial expressions were not cultural as believed, but much the same from New York City to the remote villages of New Guinea. He also found that many of the 10,000 combinations of facial muscles, such as the flaring of nostrils, are involuntary and begin to appear 90 days after birth. Adults can tell if a child's cry is real or contrived. Soon, children get better at the lie. That requires facial manipulation, which is difficult to perfect.

Women are natural facial decoders, better at listening with their eyes as well as their ears, says Nina DiSesa, chairman of McCann Erickson New York, the flagship office of McCann Erickson advertising.

She says she was in a restaurant watching on TV a debate between Clinton and Obama. The sound was off, but "tiny little facial muscles told me everything (Clinton) was feeling and thinking," says DiSesa, author of "Seducing the Boys Club: Uncensored Tactics from a Woman at the Top."

**Genevieve Thiers, CEO of Sittercity.com**, a Web site that connects parents to 150,000 caregivers nationwide, is also a professional singer who was taught in opera school to have "warm eyes" to reflect what she sings. She says that training has made her unusually attuned to facial expressions, and her radar went up when venture capitalists approached her in 2006 with what she detected as "cold eyes."

She became suspicious. Weeks later, the same venture capitalists funded a competitor using information that Thiers had shared, she says.

Ekman, the father of facial coding, says CEOs could be better at deceiving the experts when given time to rehearse a lie, or are otherwise practiced and skilled at the art. Is it possible to refine the science of facial coding to one day detect the next Enron-like debacle in advance from the face of the next Andrew Fastow-like chief financial officer?

"It's anybody's guess," Ekman says.