

BASIC INSTINCTS

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(AFRBoss Magazine June 2009)

Organisational life is harder than it needs to be. We make it harder because, mostly, our leadership practices are contrary to human instincts. Change is a good example. There is a saying that people resist change. While this might be conventional wisdom, it just isn't true. If people were hardwired to resist change, we'd still be living in caves. If people were hardwired to resist change, a US Presidential candidate wouldn't campaign on a platform of change, let alone win the election.

People are fine with change, provided it meets one criterion: that it does not involve loss. Humans are hardwired for loss aversion. This is one of nine instincts we have, and leaders who are aware of them can use the knowledge to avoid the predictable derailers of change.

1. LOSS AVERSION

Humans are significantly more motivated by the avoidance of loss than the opportunity to gain. We fight frantically if threatened or at risk of loss. When change is presented to people, if we detect gain, we support. If we detect loss, we resist. If we are uncertain, we err to resistance, as we cannot yet classify the implications.

Take for example an office relocation. If the new location is closer to home, I am most likely to support the move. If, however, it will take me longer to get to work and involve extra cost the change is to my disadvantage and I am more likely to resist. It's not a question of change; it's a question of loss or gain.

2. EMOTION BEFORE REASON

This filtering for loss is performed instantly, emotionally and often subconsciously. This is because we screen information first based on emotion (how it makes me feel) and only later (sometimes delayed by only a millisecond) on logic. The brain is wired that way, with messages first received by the amygdala (the emotional processing part of the brain) before being received by the neocortex (for rational processing).

3. FIRST IMPRESSIONS TO CLASSIFY

Influencing first impressions is critical to influencing human opinion. People make instant judgements about people and situations as a way to quickly classify their experiences. People readily classify information into categories such as "good or bad", "harmful not

harmful”, “like me or not like me” and “loss or gain”. Once a person has classified an experience they are unlikely to alter that classification. Sydney’s Cross City tunnel is a case in point – a tollway classified negatively at the outset by the driving public from which the operators never recovered.

4. GOSSIP

If a leader leaves the first impression to chance, then you are probably leaving the communication to the grapevine. People are hardwired to gossip. This urge to engage in “social chit-chat” served our ancestors well. Gossip means the “guess-what-I-just-heard” type of dialogue. It helps in finding out useful information as well as in maintaining our social alliances.

Gossip is also about understanding the way in which we communicate. You know from experience at cocktail parties that people gather to chat in groups of up to four people. If a fifth person joins, then the group becomes too large and quickly splits to two groups of two and three people.

Leaders can use this behaviour pattern in communicating change. Example: one organisation was acquiring another. The organisation designed the communication session so that it concluded with morning tea. When the people leave the main room to gather outside for morning tea, you can predict – humans being humans – that they will gather in small gossip-sized groups of between two and four people. By having enough representatives, the acquiring company can now reach each person and answer any concerns.

5. CONFIDENCE BEFORE REALISM

Humans are hardwired to deny reality – to emphasise what is possible and to underestimate what is practical. This is the instinct that causes business leaders to plan optimistically and disregard implementation. It’s what causes leaders to expand their organisations too quickly and for boards to lack adequate governance. It’s what causes leaders to repeat the mistakes from a generation before. In terms of change management, it means leaders underestimate the required effort, resources and time; and the capability of people to manage the change.

6. EMPATHY AND MIND READING

Humans are mind readers. We detect how others are thinking and feeling by what’s written on their face. The implication for leaders managing change is that staff will most likely

accurately read your intentions. If you don't care about the staff, others almost always get to know it; they sense you are faking concern, and you will lose their trust.

7. CONTEST AND DISPLAY

Humans spend time, money and energy making ourselves look good. In times of change, we can fall into a primitive trap. If you are the leader of an organisation whose performance is slipping, then you are in a position of having to do something. The trap is that your actions might be at an unconscious level, about looking good. You might create a restructure, having convinced yourself that this is what's needed. The challenge is to stay grounded on the fundamentals, often involving slower and more complex thought and action.

8. COMMUNITY

Humans are social animals. We are hardwired to connect strongest to our family-sized group of around seven people in our "village" of up to 150 people. In large organisation people will have much stronger bonds with their small team and their unit than they will with the wider organisation. Leaders can use this level of connection productively. In times of change, managers of family-size work teams and leaders of village-sized departments should be equipped to lead change.

9. HIERARCHY AND STATUS

Human groups function through hierarchy. When hierarchy and power are unclear, groups become dysfunctional. When the CEOs of the three major US car companies cry poor, while flying out of Washington in their corporate jets, that's counter-productive behaviour. When people are in positions of power they are more likely to disregard the views and feelings of others and are faster to look to the advantages for themselves. Leaders that contain the downside of power are more likely to bring their people with them.

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