

# Brief

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## The hard truth behind the 'soft' side of leadership

### **Are people are resistant to change? Is the human side of organisational life 'softer' than the financial, or technical?**

New research in neuroscience shows us that the way employees react to events in their organisation is based on hard-wired electric and chemical actions in their brain. Many well-used methods of carrot and stick, persuasion and communication may have little controllable influence on individuals and groups. Features of big 'change programmes' may be scientifically likely to produce the opposite to the desired effect because of the way the human brain works, which may explain why so many fail.

Overall, it is clear that human behaviour in the workplace does not work in the way that many leaders think. The recent research also suggests that we have to adjust some long-established concepts (such as Maslow's hierarchy of needs and Pavlov's conditioning theory) upon which many long-standing standard organisational practices have been built.

### **New evidence and new insights**

Brain activity is now being observed in ways which were previously impossible using magnetic resonance imaging, position emission tomography and brainwave analysis. This allows new research into how the brain responds to what goes on in people's day to day experience at work. With computer simulation and tracking, new insights are being produced by academics across the world.

We looked at publications from a wide range of universities including, Carnegie Mellon, Chicago, National Institute of Radiological Research Japan, Oxford, Royal Society, University College London and UCLA.

### **Behaviour is not simply conscious and controllable**

This research shows how, handled one way, change in one's day to day working environment can create negative reactions in the brain that are as strong as a physical blow. Over time, employees who experience this learn to shut themselves off to reduce the pain, and so significantly reduce their commitment to and engagement with their organisation.

If major change is handled well, it can release endorphins and energy that can radically galvanise individuals and groups. New neural connections can be formed in the brain, allowing new behaviour to be learned and even the most entrenched behaviours modified, at any age. You can, in fact, teach an old dog new tricks.

A feeling of inclusion and increased connection helps significantly. Research shows that when a person makes a positive social connection, their brain secretes a hormone called oxytocin, which helps drive affection, generosity and selflessness, among other things, and reduces a sense of threat. People given a nasal spray of the hormone will immediately decrease a sense of threat. The same outcomes can be produced by a handshake, a pat on the back or a smile.

On the other hand, the research suggests that people's response to surprise, loss of control and uncertainty is not conscious and controllable. It is driven by a basic part of the brain common to all mammals - the 'fight or flight' part that manages threat and survival. These deep instinctive responses will cause the brain to be dysfunctional or work below par (partly because it uses up glucose and oxygen from the blood), until the 'threat' is managed.

We know that some organisational change programmes are planned to provide leaders with a sense of certainty and control, but this very precision and sense of control may have the opposite impact on those at the receiving end.

## **Aspects of change that cause problems**

Turbulence and unexpected turns of events are part of organisational life, so what does neuroscience tell us about the best way to manage people? What will create problems? And what improves the outcome? The research is quite clear:

- **Surprise** in itself is always a bad thing. The clearer and more openly the path has been laid beforehand, the better. Don't wait in order to better 'control' the situation or to know more. It also means that reinforcement and repetition are important parts of helping people get comfortable with a new set of facts or a changing context.
- **Loss of control** is a bad thing. Empowering people to explore and decide how to achieve a required new direction is far more effective than telling them what to do differently. Even with job cuts, some voluntary choice or the availability of options will make a big difference. It also means that breaking a major change into smaller steps makes it seem more manageable.
- **Uncertainty** is a bad thing. Try to reduce it. This is not about avoiding uncharted territory or ambiguity. Help people know what is clear and know what is still to be confirmed. As a leader it is better to say what you don't know, as well as the few things you are certain about. If you can lower the level of uncertainty you can create significant additional energy and interest.

- **Threat to status and role** is a bad thing. Even when someone is given a new role that is as senior as their previous one, a loss of something important to them will be instinctively taken as a threat. Take time to respect the past and explain the future.

When major change is managed to reduce surprise and minimise loss of control and uncertainty, then even drastic change can have a very positive impact and produce stimulus and energy. Much of this is best practice, but what we have not appreciated before is exactly what creates a physiological response in the brain.

## Re-thinking Maslow

This recent research has led scientists to suggest that some well-known frameworks such as Maslow's Hierarchy of Needs, will have to be adjusted. Maslow's hierarchy assumes that you cannot move onto issues of higher purpose until you have managed the basic needs like food and shelter. This recent research suggests that the issues of social inclusion, threat and uncertainty are just as physically fundamental as food - and engaging people in a higher purpose will be severely limited until they are addressed.

It is also a further blow to Pavlov's conditioning principles. The neuroscience shows that threat always trumps reward. People will always do everything they can to ensure they are not 'harmed' before they do something for reward. Stick will beat carrot - and since many 'sticks' are unplanned or habitual (the behaviour of leaders, for example) then the overall outcome of an incentive programme is unlikely to be as it is intended.

## What drives effective change?

What does the research suggest is the most effective way to approach overall change?

- **Share early:** Share as much information as possible with employees, as early as possible, about the changing context, emerging major long-term issues and your emerging thinking and its direction.
- **Describe a clear direction:** As you make major decisions, paint a clear picture of the desired new end-point, sense of direction and scale of ambition - even when you cannot yet describe the journey or any actions.
- **Break the journey into steps:** Break the journey and the change into manageable and actionable steps. The brain changes how it works, makes new connections and allows behaviour change, by clearly focusing on a few particular areas where it can have an influence or control. If it is unable to find a point of focus, or unable to find one that allows some influence, then change is less likely.

Explain where individuals will be able to be involved or have options and choices. Empower groups to develop solutions to a clearly defined direction, ambition and

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brief. Or if this is not possible, plan for an assumed drop in performance when people stop being engaged.

- **Report progress regularly:** Promise to regularly report on progress (good and bad). This reduces anxiety and the threat of surprise. Stick to these progress reports even when there is nothing new to say, just to confirm the plan is still in place.
- **Confirm what is not changing:** Create some sense of safety around known areas. For example, be clear about the things that will stay the same, such as core values, markets, products or core purpose, and ensure your behaviour visibly reinforces these points of stability and certainty. Don't assume that everyone else will take them for granted.
- **Incentives alone will not work:** Assume that financial incentives will not lead people to the right outcome unless they are reinforced by behaviours and processes. In particular recognise that at times of stressful change, perceived and real threats to individuals will override the influence of reward and incentives.

These new insights should provide confidence that it is very possible to take employees through major and difficult changes, as well as providing a much clearer scientific picture about the conditions for that success.

(For more on using storytelling to engage employees in new direction and plans see our two *Briefs* on: *The second mouse gets the cheese: why CEOs tell stories to spark change*; and also *Why won't they get it? How to use emotion and meaning to unlock the brain and engage people.*)

## Sources

Sources used for this article include: Jacobs: *Management Rewired: Why Feedback Doesn't Work and Other Surprising Lessons from the Latest Brain Science*; Rock and Schwartz: *The Neuroscience of Leadership* (Booz and UCLA); Rominiecki: *Management Lessons from Neuroscience* by; Tobey and Manning: *Melting the Glacier: Activating Neural Mechanisms to Create Rapid Large-scale Organisational Change*; also the work of Naomi Eisenberger and Matthew Lieberman (UCLA), Michael Marmot (UCL), Joan Chiao (Northwestern University), Michael Kosfeld (Frankfurt University), John Cacioppo (Chicago University), Golnaz Tabibnia (Carnegie Mellon), Henry Stapp and Jeffrey Schwartz (Royal Society), Hidehiko Takahashi (NIR, Japan), Edmund Rolls (Oxford).