

Brief

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& news on growth pace and delivery
from around the world

The hour between dog and wolf: or risk-taking, gut feelings and the biology of boom and bust - a book by John Coates

The hour of metamorphoses, when people half hope, half fear that a dog will become a wolf Jean Genet

The trouble with men – and why women have less volatile hormonal reactions

Coates is an ex-financial trader and banker - now a Cambridge neuroscience professor. He has combined new biology and psychology, and observed people taking risk under pressure (including analysing traders' blood) to show how little control we have over our behaviour and decisions under tough business conditions. He thinks we can compensate by being more deliberate about managing the context in which we, and our teams, work. Focused on causes of the 2008 crash, this surprisingly readable book (well received by the FT and others) carries lessons for any leader facing pressurised, unpredictable decisions with high stakes.

1. **“Fight or flight” biology triggers hormones to alter mind and body.** This visceral reaction flows from high-pressure business risk, not just physical threat. The brain stem spots things feeling “not right” long before conscious awareness, switching on a surge in electrical and chemical activity. Testosterone levels rise to prime the body for a fight - increasing confidence and appetite for risk. Adrenalin kicks in to speed up reaction. Dopamine flows along ‘pleasure pathways’. This alters our body, brain and behaviour. We can make do with less sleep, become reckless, show inattention to detail, excessive self-confidence and contempt for others - which can result in disastrous actions and leadership.
2. **We start taking decisions before we are aware of them.** A spear launched in battle at 65 miles an hour from 30 feet away will pierce our chest in a third of a second. The body cuts out consciousness altogether, driving decisions before the brain is even aware of what is going on. But consciousness is not merely a bystander – it is there to observe decisions and veto them, if need be. We have to learn when to trust judgments that simply pop into our heads – intuition, managing emotions and being more mindful are all skill as practical as training for football. Those that use them perform better in the long-term.
3. **Surprise, uncertainty, loss of control and status can make us dysfunctional.** Researchers have found these threats can cause our body to act in ways our conscious minds have little control over – becoming unable to concentrate, scanning the environment but unable to tell what to focus on - resulting in dysfunctional inaction. People in this situation will not simply obey instructions to behave differently.

What can help?

1. **Build resilience.** Mental toughness involves a particular attitude to novel events; a toughened individual welcomes novelty or threat as a challenge and an opportunity for gain. Knowing how to manage emotions and be mindful – focused objectively on the moment - helps us make decisions and perform.
2. **Physical exercise.** Humans are built to move. Exercise triggers amine-producing cells, inoculating us against anxiety, stress, depression and helplessness. It also floods our brains with neuron growth factors – protection against stress and ageing.
3. **Fresh tasks not rest.** The cure for fatigue is a fresh task - and enough sleep. Overtime hours do not themselves lead to work-related illnesses - these are driven by having no control over workloads.
4. **Include more women – who have less volatile hormonal reactions.** The research confirms that women, and older men, are biologically better at long-term, strategic thinking, take more time before acting, and are less aggressively competitive and less risk-prone. Their biological difference helps.