perspectives

issue no. 1
Brains, behaviour, and better organizations

A new publication from nef consulting.

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editor's note

Our first edition of Perspectives explores some of the latest insights into human behaviour and how they can help organisations make better decisions.

The picture that emerges from the latest research is that people are far from being the rational actors that our economic models say we are. Humans evolved to compete and cooperate socially in complex ways, and to react to circumstances according to 'fast thinking' rules of thumb, not logic. We develop habits that no longer make sense but which we find hard to break. We take decisions that are in no-one's interest, least of all our own. And on the whole we are blind to all this irrationality – at least in ourselves.

Behavioural economics examines how this irrationality affects economic choices and it is a booming field. In our consumption patterns we have long been shown to be susceptible to manipulation. Recently, governments have recently taken an interest in behavioural economics as a means to manage the demand for services, understanding citizens as consumers.

Governments increasingly view behavioural economics as a key to unlocking more cost effective ways of helping people achieve the outcomes which they desire.
But most adults are producers as well as consumers.

In fact we spend the majority of our waking hours working. And work is often a social activity: we usually produce alongside others, in teams. We started to gather perspectives on this line of inquiry with the premise that individuals at work are just as irrational as individuals at the shopping mall.

How do we form and instil habits within the organisations we work for? How does an organisation balance its instinct to survive while exploring new opportunities? Corporations are not engines that robotically maximise shareholder value; nor are charities machines that blindly deliver an altruistic purpose. Both rely on the power of fallible minds to achieve their goals.

At nef consulting, we have worked for the last five years to help organisations measure and understand the impact of what they do, and express this in terms of social value. This edition of Perspectives stems from our ambition to better understand what makes organisations effective – and that means understanding the individuals that work in them. We recently developed a powerful 10 minute diagnostic tool to start this journey; feel free to try it online at:

www.happinessatworksurvey.com

Synthesis

This edition has been a work of evolution and collaboration, involving the following contributors:

Ian Hadden, an organisation consultant, together with writer **Rupert Widdicombe**, build on behavioural economist **Dan Ariely**'s notion that we are predictably irrational, presenting a sweep through the litany of tricks that our brains play on us. With the help of neuroscientist **Dr Tali Sharot**, they explore our tendency to be over-optimistic about our own future and suggest how organisations could harness these insights to benefit themselves and their workforce. Then with the input of philosopher **Julian Baggini**, they make the case that organisations, like people, are messy and fragmented sets of competing factions with no overall control centre – and show how Aristotle can help us make sense of it all.

Susie Steed, an economist at **nef**, along with **Jonathan Schifferes** of **nef consulting**, then show how unlocking motivation relies on understanding that organisational culture informs, but is also formed by, personal behaviour. And finally **Jonathan Rowson**, who leads the Social Brain project at the RSA, highlights practical tools to help organisations tackle adaptive challenges, recognising that only those people who are part of the problem can really be part of the solution.

There's a whole lot more, including full biographies, video links, and further reading, on our website. Explore and add your own perspective at:

www.nef-consulting.co.uk/perspectives

photo: Ian Hadden

cover illustration: Gaetano Ling

our buggy brains

**by Ian Hadden and Rupert Widdicombe,
with Dan Ariely**

Neuroscience and behavioural economics are shedding light on the 'bugs' in our brains that trick us. Organisations need to understand these tricks if they want to make good decisions.

We are "predictably irrational", to borrow a phrase coined by psychologist and behavioural economist Professor Dan Ariely. Our mind can trick us just as our eyes sometimes do.

The tricks the mind plays on us are known as cognitive illusions or biases, and we can be fooled quite predictably even when we know about them – just as we are by the visual illusions on these pages.

Knowing about our predictable irrationality is important – for us as individuals, and for groups and organisations. A large number of cognitive biases have been identified and studied (the Wikipedia 'list of cognitive biases' page has around 150).

Many are well known – for example, you may already be aware that people tend to interpret information in ways that confirm or support their existing ideas (the **confirmation bias**). And people tend to measurably and consistently overestimate the expected benefits of a course of action and underestimate the effort needed to achieve them (the **optimism bias**).

But some biases aren't so well known. For example, did you know that putting different elements of a product or service into different 'buckets' can shift perceptions of value (**mental accounting**)? Or even that adding a third option that nobody wants can change which of two genuine options people choose (the **decoy effect**)?

Don't look at me upside down

source: www8.open.

feature or bug?
it depends...

All these illusions, visual and cognitive, are the result of automatic, unconscious processes inside the brain operating in ways that work in our favour much of the time. They are shortcuts, or heuristics; evolutionary adaptations that have helped us become the successful species that we are. They are part of what Daniel Kahneman calls 'System 1' – the processes that we use to ride a bike or detect hostility in a face – and operate quickly and with little or no conscious effort.

But sometimes they have negative consequences for us. They impoverish us in our old age by stopping us saving when we are young, they make us take terrible decisions because we ignore facts that are in front of our eyes, and they make us overconfident in the face of uncertainty.

As Dan Ariely puts it: "When it comes to the physical world we understand our limitations – we build around it. When it comes to the mental world, when we design things like healthcare, retirement and stock markets, we somehow forget the idea that we are limited."

Dan Ariely

Dan Ariely is professor of psychology and behavioral economics at Duke University in the USA. He is the author of Predictably Irrational and The Upside of Irrationality, and more recently The Honest Truth about Dishonesty.
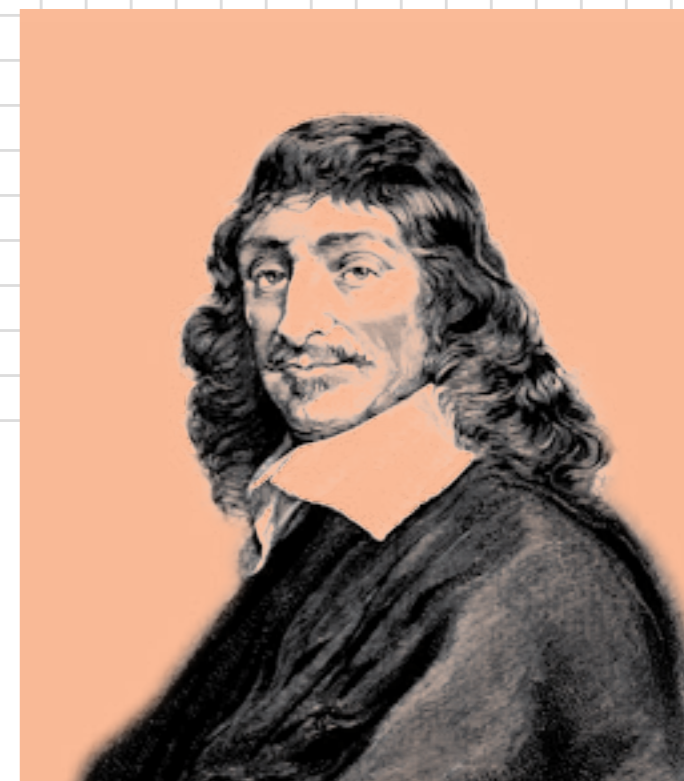
He thought, therefore he thought he thought he was.

source: plato.stanford.edu

Behavioural economics and neuroscience, with their emphasis on empirical observation, are starting to offer real insights into how these biases work. But perhaps more importantly, they are starting to help us recognize when they are happening, and how we can avoid their pitfalls.

"If we understood our cognitive limitations in the same way that we understand our physical limitations, if they were to stare us in the face in the same way, we could design a better world," says Professor Ariely. This is where the deliberate, slower thinking that Daniel Kahneman calls 'System 2' can serve us well.

This publication, of course, demonstrates the cognitive biases known as the **bandwagon effect** and the **availability heuristic**. Feel free, dear reader, to count the others, and enjoy.

optimism and the power of choice

by Ian Hadden and Rupert Widdicombe, with Tali Sharot

prefrontal cortex activity

How did I expect to do?

How did I do? — well — *"I knew it — I'm a genius. I can do this stuff!"* — normal

How did I do? — poor — *"I can't believe I made a mistake. Let's figure our what went wrong."* — **enhanced**

How did I do? — well — *"I can't believe I got it right. I suppose I just got lucky."* — normal

How did I do? — poor — *"I knew it — I'm a dope. I can't do this stuff."* — normal

The prefrontal cortex is associated with modulating attention where a mismatch between expectations and actual events, and so can trigger learning from errors.

photo: Dierk Schaefer

We are born wearing rose tinted spectacles. Understanding this can help organisations harness their workforce to make better decisions.

Take a moment and try to imagine your future. Will things be better than they are now? How likely are you to divorce? To get cancer? Will your career blossom or stall? Behavioural economists and neuroscientists share an interest in what happens when people think about their future. Studies in a number of countries show that people, regardless of their age, race, culture or creed, have a clear bias towards optimism for their lives. We are born wearing rose tinted spectacles.

Most of us consistently and measurably underestimate the likelihood of bad things happening to us, and we don't significantly revise our views downwards when presented with the statistics. At the same time, we overestimate our own attributes, our intelligence, looks and chances when compared to other people. We may see this bias in other people – but we are blind to it in ourselves.

"Our brains generate hope," says Dr Tali Sharot, a neuroscientist who has studied optimism. "We are optimistic about ourselves and our children – but we are not optimistic when it comes to other people. This optimism is an illusion, a game our brain plays on us." Dr Sharot speculates that humans have evolved a bias towards optimism because it encourages us to actively pursue a positive future and persist in the face of difficulties and setbacks. An optimism bias helps us get things done. It creates a self-fulfilling prophecy which makes positive outcomes more likely to come about.

The caudate nucleus: likes sex, chocolate, autonomy.

source: http://en.wikipedia.org/wiki/
Caudate_nucleus

optimism and organisations

It is no secret that more projects run over budget than under budget and that more deadlines slip than are hit early. The fact that most people have an optimism bias – and are blind to it – is clearly very relevant to leaders and managers in organisations.

So if we are hard-wired like this, what can be done? Is knowing that we are over optimistic useful? This article explores how our optimism actually works and how understanding this can help organisations make better decisions.

One of the aspects of optimism that Dr Sharot has studied is what happens in the brain when you make a choice. Imagine that you asked to rate a choice of holidays from a wide range of possibilities. Let's say you find two of them equally attractive. You are asked to choose one of them and commit to it – say by buying a ticket. Then you are asked to rate the two choices again. What happens? Most people will now rate the one they have chosen significantly higher, even though they gave them equal rating before they made the choice.

What's going on? Dr Sharot's research reveals what happens inside the brain when we think about a choice we have committed to. There is enhanced activity in a part of the brain called the caudate nucleus, which responds in a similar way when we have sex, feel love or eat chocolate. Surprisingly, you don't even have to remember that you made the choice – the caudate nucleus delivers the reward anyway. And, crucially, this only happens when it is you that made the choice. It seems that it's the act of choosing that makes the difference.
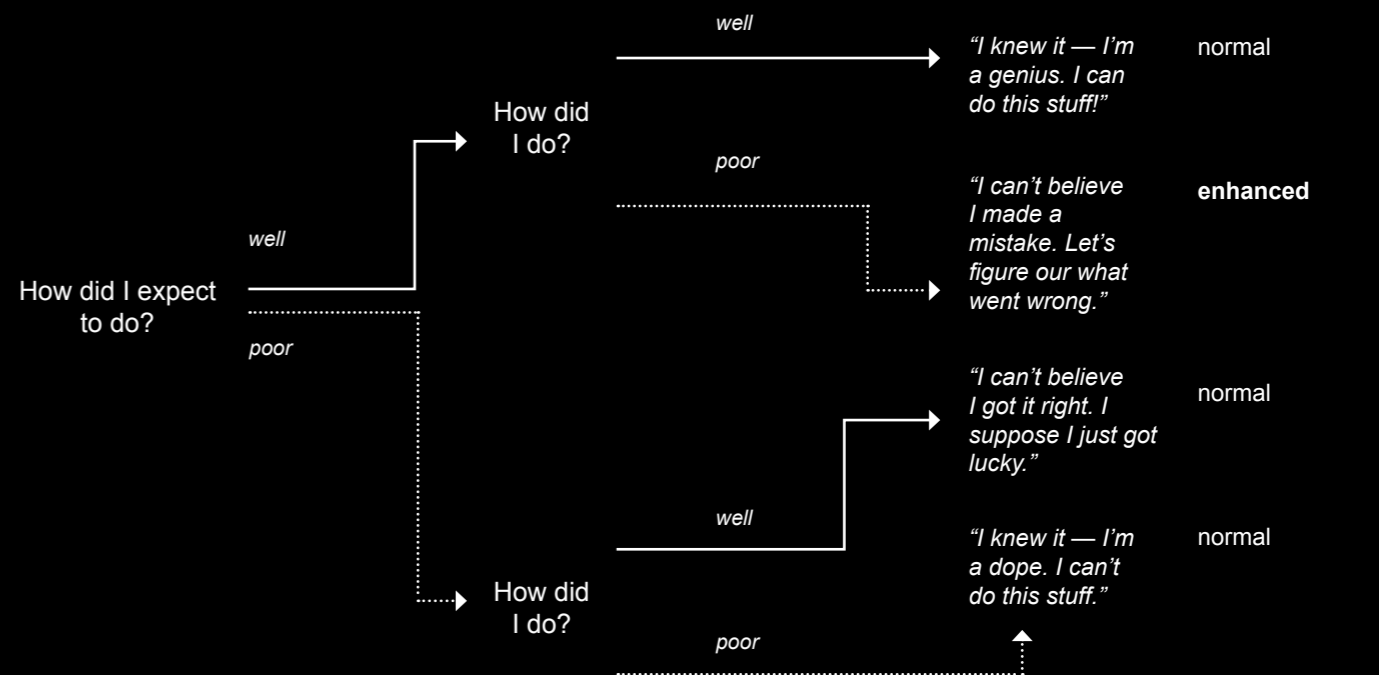
Dr Sharot speculates that the brain evolved to do this so as to reinforce our commitment to our choices, thereby increasing the chance we will carry them through and they will turn out to be good ones. If we haven't made a choice, we don't get this reward.

So what? Well, there's a lot of lip service paid in management studies about devolving decision making and the importance of employee engagement and autonomy. Now here's hard evidence that the act of making a decision rewards the decider and commits them to seeing that choice through. That's important.

how expectations shape the way we learn

In another aspect of her work on optimism, Dr Sharot has studied what the brain does about prediction errors – the difference between what we expected would happen and what actually does happen.

"The brain takes note of prediction errors all the time, though we are not aware of it. It uses them to learn from the environment and to assess how good it is at predicting what will happen in the future."

One consequence is that it's very useful to have high expectations of your performance, because if you make a mistake, the prefrontal cortex area of the brain takes note of the discrepancy and you learn for the next time. This doesn't happen if you have low expectations – so you don't learn.

There's another reason that it's good to have high expectations – because if the outcome is good, you think you made it happen. You have what psychologists call a high 'locus of control' and this is linked to higher motivation, effort and persistence. Dr Sharot explains: "One study with students, by Margeret Marshall and Jonathon Brown in 2006, demonstrated this very nicely. Where they expected to do well and did well, they thought 'I'm a genius', and I'm going to do well again and again. They attributed the outcome to their own ability. Students with low expectations had less of a tendency to think it was their own ability for which they got an A, so they thought next time reality will catch up with me and I won't do so well.

"On the other hand, when they failed the students with high expectations said it wasn't about me, the exam wasn't fair, or I didn't study enough but next time I will and I'll get an A. Students with low expectations tended to see it more about their own ability so expected to fail and fail again."

What does this mean for organisations? This research suggests it is possible to optimise for learning and motivation by taking into account the optimism bias hard-wired in the brains of their staff. If you want a high-performing workforce, create a workplace where each person can make meaningful choices and where everyone has high expectations of what they can achieve.

Brain-optimised organisations? Dr Sharot cautions us to tread a little carefully. "The brain is hugely complex. Although we've already learnt a great deal, the truth is that we are only at the beginning of understanding how it works. So we should be cautious in the conclusions that we draw."

Choice and motivation

What is the optimal rate of staff turnover? Too high and you face incurring costs including recruitment and training, not to mention the loss of institutional knowledge and relationships. Too low and you risk missing new ideas and energy from outside. But Tali Sharot's research suggests that there's a further twist to consider – the reward that employees get from actively making a choice to stay with your organisation. The way the brain rewards itself when it reflects on a choice means that you may want to consider ways to help staff regularly actively choose to stay with you. Getting a job offer from a competitor – and choosing to turn it down – might have big benefits for everyone.

Tali Sharot

Dr Tali Sharot is a neuroscience faculty member at University College London and is a Wellcome Trust Fellow. Her 2011 book The Optimism Bias explores the biological basis for optimism.

organisation |ˈô:(Ҷ)g∂n.ai,z∂ɪ,ʃ∂n|
noun, verb

1. an organised body of people with a particular purpose, esp. a business, society, association, etc.

2. to have a messy fragmented sequence of experiences and memories

organisation – noun or verb?
### by Ian Hadden and Rupert Widdicombe, with Julian Baggini

Organisations can learn from a clever trick that our brains play on us – creating a sense of unity from a messy 'bundle' of devolved processes.

Who is the real you? Is there a 'pearl' of you-ness buried somewhere inside your physical body, that is more or less constant despite the changes life brings? It's an idea that most people accept without question. And it's probably wrong.

A growing number of neuroscientists, psychologists, behavioural economists and philosophers believe that 'you' is not singular and centralised, but rather a 'bundle' of processes and systems over which your conscious mind has surprisingly limited control. By analogy, this can offer insights into how organisations work and can help us think about ways to help them work better. According to neuroscientist David Eagleman,

the self is actually "an entire parliament of pieces and parts and subsystems". "We are", he writes, "collections of overlapping, ceaselessly reinvented mechanisms, a group of competing factions." Eagleman believes the brain is always hard at work maintaining an illusion of an enduring sense of 'you' out of the inexplicable dynamics of these pieces.

Reaching the same conclusion by a different route, philosopher Julian Baggini calls this enduring sense of self the brain's 'ego trick'. The trick is "to create something which has a strong sense of unity and singleness from what is actually a messy fragmented sequence of experiences and memories, in a brain which has no control centre."
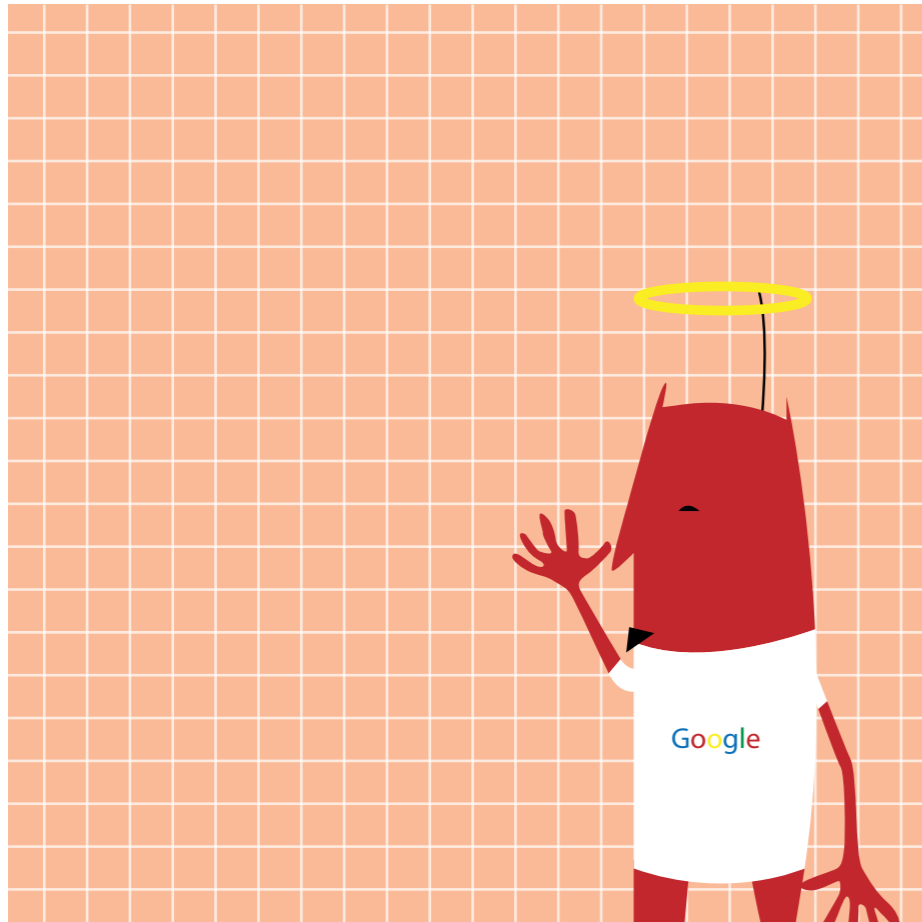
Julian Baggini

Julian Baggini is a writer and philosopher, and editor of The Philosophers' Magazine. His books include The Ego Trick, an investigation of the nature of 'the self'.

you are what you do

You might still argue for the idea of a singular 'you' by pointing to a consistent character that defines who you are. "I am the kind of person who does charitable work at weekends". Yet, there's a large body of research evidence to show that people's behaviour can change dramatically depending on the circumstances.

In Philip Zimbardo's famous 1971 experiment, groups of Stanford students were randomly assigned roles as 'prisoners' and 'guards' – and quickly fell into the roles of powerless and powerful, with many instances of abusive behaviour. A more recent experiment showed that people are a lot more willing to help others if they'd just found a coin in the phonebox they were using. Many other studies support the same central idea – how most of us behave depends significantly on the context. So, if there is no 'pearl' of self, and your 'character' depends on the situation you are in, what is it that defines you? Echoing Aristotle from the fourth century BC, Baggini argues that it is up to us to define who we are by making choices about our actions, developing habits and creating ourselves through our behaviour. As Baggini puts it, your life is a project to be grabbed hold of and created. 'You' is not so much a noun as a verb.

organisations are bundles too

How is this relevant to organisations? Perhaps they are bundles too – messy overlays of processes, factions and competing priorities operating with little effective centralized control. And, just as with individuals, their challenge may be to create a character or identity through cultivating positive habits. The concept of an 'organisation' needs to stop sitting idle as a noun and live more like a verb.

Flexible. devolved decision making worked in Iraq where centralized, rigid control failed.

photo: US Army

Take Google's famous unofficial motto: 'Don't be evil'. Julian Baggini points out the subtle trap in corporate values statements like this. It could lead Google to think of itself as a noun - 'the company that isn't evil' – and believe that it has an intrinsic character that guards against it being evil. But unless actively pursued in daily habits and behaviours, a guiding idea such as this can lead to hubris and become a blindfold.

The idea of character arising from behaviour is linked to what psychologists call 'self-perception theory' – the notion that people infer their preferences (or character) by observing their choices. "I chose 'A', so I must be the type of person that likes 'A.'" Behavioural economist Dan Ariely takes as an example the insidious process by which a person can come to think of themselves as 'the kind of person who buys expensive coffee'. (Our microsite has a link to a short video where he describes how this can happen).

bottom up is real

Inspired by Baggini and Aristotle, organisations might do well to create their values from the bottom up by focusing on their habits – the things that the people working for the company do every day when they come into work.

Maybe this approach would help organisations to pull off the trick that our brains have mastered: creating a genuine sense of unity over a messy parliament of pieces, where there is no real hierarchy and no single controlling 'thing' in charge.

What happens when you flatten hierarchies and devolve decision-making is something economist Tim Harford explores in his book Adapt. One example he dissects is the experience of the US army in Iraq. (To see him tell the story, follow the link on our microsite). Initially, Harford argues, the army's rigid, centralised control was unable to deal with the reality on the ground. It was only when individual unit commanders began making decisions – and began dissenting loudly enough to be heard at the top – that the US army adapted to the real war it was embroiled in.

All of these ideas – habits and discipline, devolved decisions, flat hierarchies, encouraged dissent – are current in management theory. They are as old as our brains. Organisations could do well to get in the habit of taking them seriously.
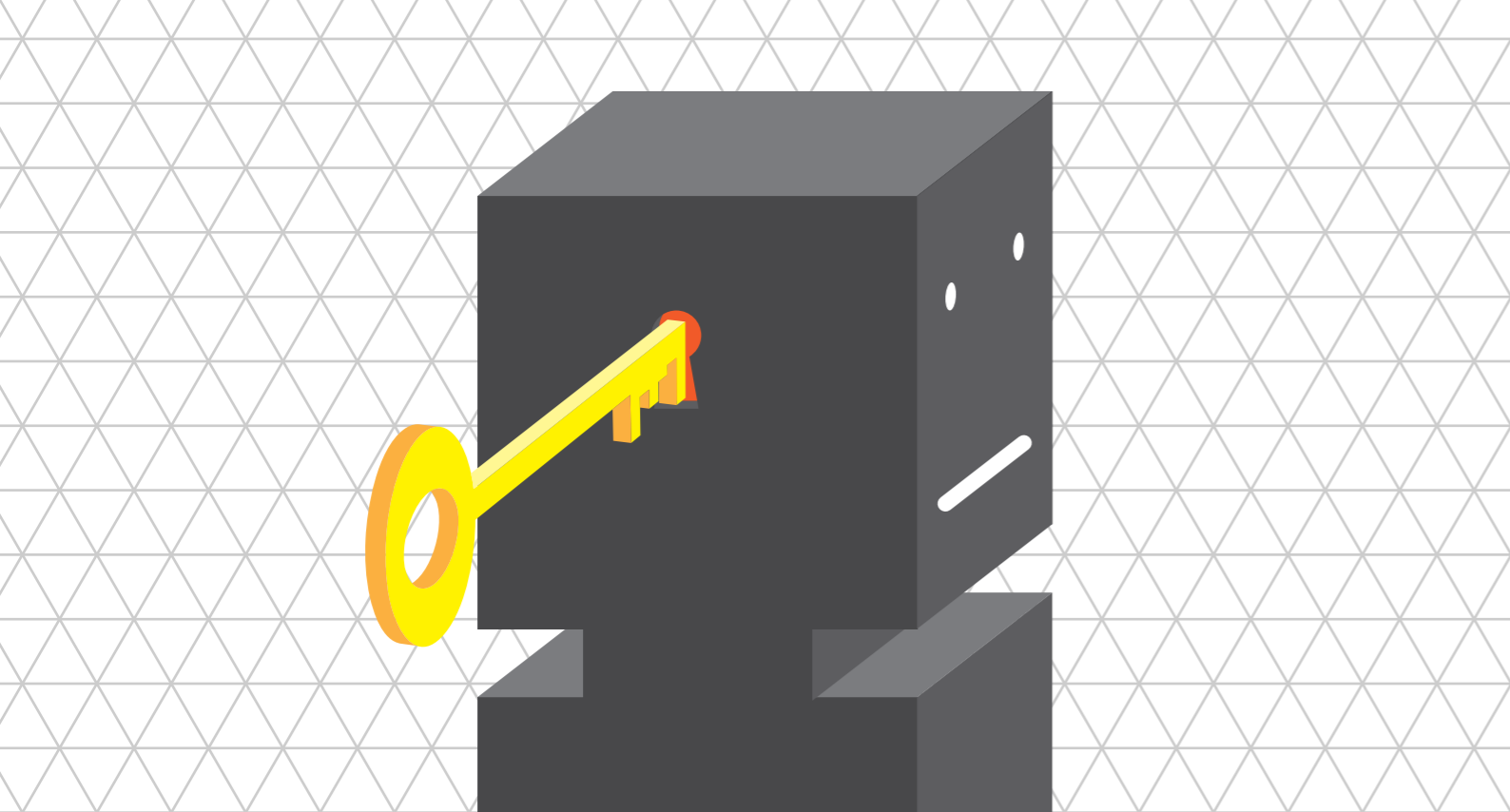
unlocking motivation

Its not where you work, its what you work for.

by Jonathan Schifferes, nef consulting and Susie Steed, nef nef consulting

Outrage over bonus payments to fat cat nurses. Mergers and acquisitions decline as corporate lawyers strike over working conditions. Footballers call foul at new payment-by-results regime. These headlines are pure fantasy. They contradict the perception and the reality of contrasting organisational cultures. Why does work culture vary so greatly between sectors, and between organisations?

The stated intention of government is to increase the diversity of provision of public services to include non-profit organisations, social enterprises and cooperatives. We therefore need to better understand why people engage differently in work: why some people are motivated more by money and others by purpose, and how form and culture of an organisation serves to challenge or reinforce motivation.

Working practices are socialised. We shape, and at the same time are shaped by, the organisations we work for. But we also know that the form of an organisation – its governance, ownership, organisational structure, or the nature of the product or service we are working to produce – affects our behaviour at work.
Consider the example of working unpaid overtime and

how this differs between organisations. Although it might be surprising, in comparable sectors, unpaid overtime is higher in the public and non-profit sectors. The difference is sizeable. Looking at workers in health, education and social care, in the not-for-profit sector nearly half of all staff do some unpaid overtime, whereas in the for-profit sector the figure is 30 per cent (Gregg et al). There is a lot of evidence to show that public sector workers report being more 'intrinsically motivated' than private sector workers. They are more likely to vote in elections and to report charitable donations of time, blood and money (Houston 2006).

Evidence from the World Values Survey shows that public sector workers tend to be more pro-socially motivated than private sector workers. However, in countries with high levels of corruption, and where public sector pay is higher than private sector pay, such as parts of Africa, the reverse tends to be true (Smith and Cowley, 2011).

The key question is whether it's something about the organisations that makes people more motivated, or whether it's something about the people that decide to work in these organisations? Put simply, do organisations make people care, or do people who care go and work for particular types of organisation? In the study on unpaid overtime, workers didn't tend to change their behaviour when they switch between the non-profit and for-profit sectors. This suggests that people who care choose to go and work in the public or non-profit sector; it's not something about the organisations that makes them care.

Expectations of work often serve as a confirmation bias. If nursing has a reputation as being a profession for those with a caring personality, this is likely to be perpetuated by the self-selection of the highly caring into this profession. Furthermore, the culture of the profession itself is potentially confirmed by the bias new nurses bring. The expectation of new recruits that nurses care, as they have been led to believe, enables and encourages these recruits to act with a high degree of care, in order to confirm to themselves that they were right.

Employees are motivated to perpetuate the reputation of an organisation's work culture, to confirm their expectations were well placed. If work doesn't match our expectations, this can serve to demotivate, because we'd rather believe the job is not well-defined than believe that our expectation was misplaced. Since our expectation of our performance is based greatly on the views expressed of people around us, organisations need to pay close attention to their

"employer brand", managing expectations in order to get the most out of staff.

People with particular characteristics may choose to work for an organisation, but this doesn't mean that people can't change. Akerlof and Kranton define a worker's identity as a combination of social categories, norms and their own sense of belonging. While some workplaces can reinforce a person's existing identity, others may deliberately seek to change it. The military is an extreme example. New recruits are put through an induction and a range of procedures that change their identity so they will put 'service before self'. A less extreme process is no doubt enacted in all workplaces.

While recruitment and induction processes activate employee expectations and influence behaviour, behaviour also responds to incentive structures within organisations. In a classic model of a firm, incentives are misaligned. Consider business shareholders and managers. Shareholders want to maximise profits, while managers want their work to contribute to a productive, enjoyable, prosperous career, and to achieve social impact.

At John Lewis Partnership, one of the UK's most successful retail businesses, all partners own a share of the business and are rewarded annually with an equal percentage bonus on their wages, distributed from the profits of the business. Staff stay at John Lewis longer than average for the retail industry, and nef's well-being at work analysis of John Lewis has shown that survey scores are higher than the national average.

John Lewis Partnership

building the adaptive organisation

by Jonathan Rowson, RSA

A radical tactic to motivate staff has been adopted by Zappos.com, the online retailer selling shoes, accessories and more. They offer new employees $4000 if they quit after the first week. This weeds out those who might have earnings as their only motivation for work, and it means most trainees who stay have increased commitment to the company; they explicitly recognise the value of their employment, conscious of the "offer" they have chosen not to collect.

Opportunities for behaviour change, resulting in changes to organisational culture, are clearly time-sensitive. Indeed, the form of an organisation often changes over time. Organisations undergo privatisation, nationalisation, mergers and disaggregation. Teams undergo redundancies, new products are launched, new markets are developed. Brands are refreshed, and staff move desks or to new offices. At these moments of change, the potential for the formation of new habits (both positive and negative) is heightened.

What can we draw from this evidence? Organisational form is important; but motivation is neither automatic nor static. Whilst the structure of an organisation is important it is the interaction of incentives, social norms,

and workers' identity which offers powerful insight into motivation.

Whilst it is right that government should be interested in different forms of organisation, we can't assume that organisational type alone matters. A strong organisation could be weakened by changes to the way services are funded and incentivised, such as the increase of payment-by-results, competition and the marketisation of the voluntary sector. In providing the public services of the future, it might be that we end up with a range of different organisational forms, but the process they go through to compete for funding may make the experience of working in each of them all seem very similar.

A Human Resources Manager in a large organisation was excitedly telling a former advisor how he had successfully implemented his suggestions. He relayed how he had sacked nearly 2,000 people and simultaneously brought about a huge change in organisational culture. "You see we took your advice!" he said.

"What advice was that?" asked the slightly worried advisor.

"Don't you remember? you told us: "If you cannot change the people, then change the people"?"

"Ah, no," replied the advisor, "what I actually said was, "If you cannot change the people, then change the people"."

The story above highlights the distinction between what Ron Heifetz calls technical problems and adaptive challenges.

A technical solution, even when it is as drastic as firing 2,000 people, is relatively easy to enact because it uses existing expertise to target discrete and measurable problems.

In contrast, adaptive challenges involve dealing with more fundamental problems related to how organisations make sense of their work, where a deeper approach may be required. A story by Heifetz illustrates this:

"Take Sony, whose engineers came up with the equivalent of an iPod before Apple but ran into obstacles within the company. Sony's organization was beautifully designed to come up with improvements to the next generation of portable CD players, walkmen and discmen, but this new technology was a threat to many of the ways they had organized themselves and thought about their product line. The engineering itself was not a big adaptive challenge but reshaping the company strategy, organization, and mindset was."

Many of the biggest organisational challenges are adaptive: they can only really be addressed by the people involved in them. That is why leaders find them difficult to identify and easy to deny.

The current emphasis in policy and social marketing on fostering behaviour change tends towards what Heifetz calls the most common leadership failure, namely the attempt to apply technical solutions to adaptive challenges. Such approaches often overlook whom is doing the changing, how it is done, and to what end.

Adaptive challenges cannot be addressed by command and control, or by stealth, because they require us to become conscious of how our attitudes and values influence our behaviour. For instance, individuals paying a few pounds extra for carbon offsetting is a technical solution to greenhouse gas emissions, as is raising taxes on flying; while getting people to fly less for environmental reasons is an adaptive challenge.

Value change is perhaps the deepest and most demanding challenge (advocated by numerous NGOs in the impressive Common Cause Report) but extremely difficult, especially because values surveys seem to indicate that the idea that one can actively change one's values (e.g. care more about bigger-than-self issues) runs counter to many deeply held values of sovereignty or self-determination (e.g. don't let others tell you who you are or what to do).

In approaching adaptive challenges, the key is to move from a focus on the problem, to a focus on the person or people that have the problem. This means a shift from the idea that "if you are not part of the solution, you are part of the problem", towards a shared recognition that "if you are not part of the problem, you cannot really be part of the solution."

In the RSA's recent work with the police service many officers reported that the service is, for instance, 'hierarchical', 'closed', 'formal' and so forth, but it proved much harder to get them to reflect on how those sorts of cultural elements influence their interactions with members of the public, and with other officers. For example, one senior officer remarked that "sometimes it

photo: TheeErin

is the half-baked insights that lead to progress." Yet, on cross examination one junior officer made the telling comment: "When you are absolutely sure, it's much easier for me to speak up. But if you are only 70% sure, that little inkling of doubt creeps in and you don't want to say anything."

To move from focusing on problems to focusing on the people who have them, we need a more sophisticated understanding of human nature. In this respect, the emerging scientific view confirms that we are a fundamentally social species i.e. the main purpose and function of the brain is to help us regulate social relations. Moreover, as we learn more about the brain, it becomes a shared object of interest and concern that directly impacts on our perception of ourselves and of each other, and how we behave.

I believe three of the most powerful lenses through which to look at adaptive challenges are how we may become: better able to choose and shape our **habits**; more mindful of our

The brain is both functionally and reflexively social. The challenge is therefore to sophisticate ourselves not just by passively learning about the brain, but by talking to each other about how what we learn applies to our adaptive challenges.

We cannot change ourselves without changing each other
01

Most behaviour change does not occur at the level of the individual alone. Not only do we rely on other people to achieve the changes we seek to make, but such behaviours spread through social diffusion, and there is no way of knowing where our influence ends.

Complexity is more often the solution than the problem
02

To navigate a complicated world, we need complex minds. We need to work on having a 'relationship to our reactions', and when faced with multiple perspectives we should be able to both differentiate and integrate them.

It is better to be reasonable than rational
03

Clear thinking matters, but the touchstone of our thought should not be abstract axioms and disembedded logic, but contextual sensitivity and concern for others.

Paying attention is good for you
04

We are what we attend to, and there are increasing demands on our attention. We need some resistance to the power of adverts and the allure of technology. To avoid becoming slaves to the information and tools we use, we need to learn to pay closer attention to what is going on around us, within us and between us on a regular basis.

If we want new habits we should work with our habitats
05

We are creatures of habit, but unlike most creatures we have considerable power to shape our habitats for purposes beyond our basic needs. Behaviour change is not mainly about willpower, but about using self-awareness to shape our environments so that our social and automatic brains align with our goals and values.

The brain is a stimulant
06

The brain is something we all have in common, and share an interest in. We use information about the brain as a socialising device to stimulate collective self-awareness. Through reflecting on the social and automatic nature of the brain, we learn how to change our behaviour for the better.

RSA

six implications of adaptive challenges

patterns of **attention**; and more aware of the basis on which we make and justify **decisions**.

I would like to draw attention to two of many practical tools that can help organisations use these lenses to shine a powerful light on their productive activity.

First, Harvard psychologist Robert Kegan's work on mental complexity has led to the creation of a practical 'immunity to change' mapping exercise. This prompts people to talk about their goals, but also about their hidden assumptions, their competing commitments and what he calls their 'one big thing', all of which drive behaviour at a largely unconscious level in both the people involved and the organisations they serve.

Second, approaching adaptive challenges requires recognising the relevance of hierarchy and the role of social networks in facilitating or preventing the kinds

of significant self-examination mentioned above. Anthropologist Karen Stephenson analyses the way that networks and hierarchy intersect in what she calls the organisational 'heterarchy'. Knowing the nature of your heterarchy helps organisations understand information flows and blockages, and identify where cooperation is unusually productive and where trust builds up or breaks down.

The RSA will be launching The Social Brain Centre later this year which aims to further explore the practical implications of these ideas. At present, our work is guided by the ideas in the box above. We want to engage a wide range of people in our exploration so please get in touch if you want to be part of it.

contributors
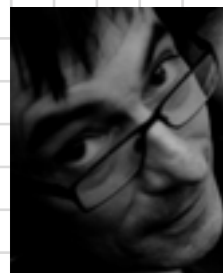
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Susan works at the new economics foundation, leading several projects designed to help commissioning and procurement processes to maximise social value. Prior to joining nef in April 2009, Susan has developed a time bank for a housing association in South East London. She has also worked on equalities for a local authority, and for Charlton Athletic Football Club. She has recently worked to develop the Brixton Pound, a complementary currency in Brixton.

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Jonathan Rowson currently leads the RSA Social Brain project. After degrees from Oxford and Harvard, Jonathan's doctoral research was an examination of the concept of wisdom, including a detailed analysis of the challenge of overcoming the psycho-social constraints that prevent people becoming 'wiser'. A chess Grandmaster, Jonathan was British Champion for three consecutive years 2004-6.
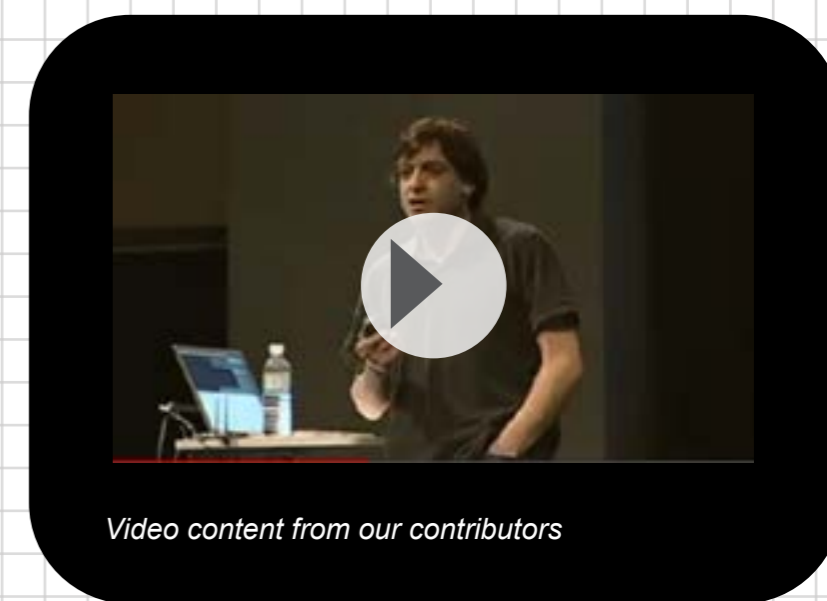
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