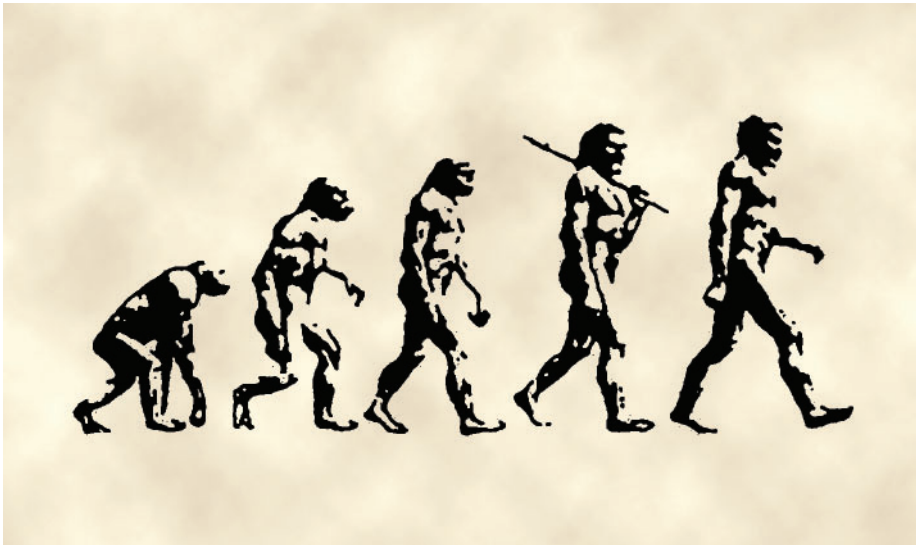


# According to nature

*The effects of human nature on performance have been around since the evolution of man. Stewart Forsyth studies how leaders can affect business outcomes.*



Imagine you could relocate a man or woman from 10,000 years in the past to work in your business. What a strange thought, but bear with me for a little while. Imagine that you were able to teach them not only English, but also the specialist languages of your operations – your core competencies of marketing, design, production, or whatever it is that makes your business special and wealthy. And you were able to develop their skills in managing your organisational systems – from email to performance review, from customer relationship management to profit & loss statements.

What would this person bring in terms of their wired-in human nature that would need to be managed in the workplace? This question goes to the heart of what it is, as well as work competencies, that people bring to their work. The quarter of a million years needed to evolve Homo Sapiens for success

on the savannah lives on after a mere 10,000 years of civilisation. All of us take the legacy of our African forebears to work every day. Much of that inheritance shapes our emotional and perceptual toolkit. Are our human resource systems compatible with our basic human nature?

One attempt to identify our background human nature is a classification of the ‘universals’ of human behaviour – behaviour that is consistent across all societies, and so may be assumed to reflect our common genetic legacy. These universals also indicate what aspects of behaviour will translate across all cultural boundaries.

## **Obvious or not**

Donald Brown began such a classification in 1991 (see the table). His contenders for universality (and subsequent additions) include relatively obvious behaviours – play, ethnocentrism and body adornment for examples. Some of the universals might be less obvious – the Oedipus complex, sex differences in spatial thinking and materialism.

Setting the scene for a discussion of human nature in business organisations, trade and reciprocal exchange are universals. The idea of a satisfied customer at the final link of a value chain is not a uniquely capitalist invention.

How does the way organisations manage performance map onto these behavioural ‘universals’?

The modern organisation achieves results by having leaders ensure that competent people are responsible for particular and relevant operations and are rewarded for effectiveness. According to Brown, every society has leaders who are likely to have a strong role in deciding what

needs to be done and who should or should not do it.

What people do has to fit with the organisation's overall strategy and its business unit's plans. People in all societies attempt to predict the future and to plan for it.

Finding the right person for the job appears universal. In every culture there is a division of labour (admittedly often on gender and age grounds). There is also the inclination to sort people according to behavioural propensity ('will they do this job?'), that in turn rests on the capability of making comparisons and evaluating others ('can this person do this job?').

**Achieve results**

To clarify expectations and accountability leaders give directions and individuals promise to achieve results. Having people make a public commitment to contribute to the business plan is clearly completely compatible with human nature.

Critical to the continued delivery of results is an ongoing evaluation of performance and the management of consequences to motivate that performance.

Humans consistently interpret behaviour ('Is that person sick or malingering?'), measure outputs (especially tradable commodities), distinguish between good and bad ('this menhir is really not as good as those from Gaul') and judge others ('overall an "outstanding" rating for Asterix I think.').

Judging whether performance merits reward is clearly the way that people tend to operate, rather than such utopian constructions as 'to each according to their need'.

It might be difficult to visualise a prehistoric coaching and counselling session. But remember humans are learning animals, often out-competing others with cultural innovations. Going from comparison and evaluation ('Fred hits the mammoth more often than Barney'), to attempts to improve skill is not such a leap ('Barney, I know how important to you it is to come on our next hunt, I'd like to talk to you about your spear-throwing...').

**Built-in risks**

Appraising and reward might have some built-in risks (see next section), but are based on a solid foundation of preference for fairness and equity, as well as an inclination to reciprocal exchanges. Slogans such as 'a fair day's pay for a fair day's work' may sound like products of nineteenth century socialism, but probably have an older heritage.

If people do seem to have built-in capability to get through the steps of performance management, why does performance management sometimes not go so well? Is it because of some prehistoric baggage we

bring to the process? Can this explain why people are capable of producing inadequate products and dissatisfied customers?

I would like to highlight two areas – leadership and reward allocation.

Leaders are universal, but ineffective leaders didn't last long on the savannah. However, there are many leaders in present day businesses who don't have what it takes. To illustrate with just three leadership competencies. The leader must be capable of communicating an inspiring vision – helping their people see how developing new products or planting different crops will improve the chances of survival, for example. The leader must be able to support their people – helping an injured kinsman back after an accident or coaching a junior in the subtleties of their job.

It is also possible that the plan the leader is working with is the wrong one. Drought and war are still with us, and still have the power to disrupt the best-laid plans. External factors (or fates) can blow plans off course, but it is clear that smarter leaders can better anticipate and respond to these threats and opportunities.

**How we operate**

You will likely not be surprised at my suggesting that the allocation of rewards might be another source of some organisational problems. Some of the reason for this may be not the incentive system your consultant designed but some of the way we are inclined to operate.

We tend to over-rate the objectivity of our thoughts. In assessing the competence

or the contribution of others we are likely to consider ourselves more accurate than we in fact are. For example, the agreement among supervisors about their staff's effectiveness is consistently weak.

We have a tendency towards fairness and ensuring reciprocity in exchanges. We have very sensitive inequity detectors.

Deciding who should get the salary rise or what share of the kill is tricky because of the interaction of these factors. The leader (and at the same time their staff member) is more certain of their accuracy than is realistic. Team members are primed to look for equity between contribution and their piece of the pie.

**Ambush or picnic**

The scene is set for leaders to learn that rewarding for results can be more like an ambush than a picnic. No wonder many leaders swerve away from the whole process and avoid talking with their people about how they are doing.

Priorities for ensuring that performance management processes don't get run over by human nature appear to be:

- Developing effective leaders;
- Supporting them with objective information about performance and competence.

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Steps in managing performance	Relevant human universals
Leader with control over resources	Leaders
Overall Plan	Attempts to predict the future Planning for the future
Choosing competent person	Division of labour Classification - of behavioural propensities Making comparisons Judging others
Individual or team accountability for specific goals	Directions giving Promise
Performance evaluated against goal or standard	Measures and measuring Good and bad distinguished Interpreting behaviour Making comparisons Judging others
Feedback and coaching	Making comparisons Judging others
Appraises and reward	Fairness / equity Reciprocal exchanges Making comparisons Judging others