BEHAVIORAL SCIENCE FOR LEADERS

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CONSULTING | COACHING | FACILITATION

Learning & Development is a business growth driver, more than ever before. Globally ~370 billion USD gets spent on this, yet it is not generating the business outcome that organizations expecting it to be. So it is time to relook at workplace behavior change as a function of context, employee, and the action, through the lens of Behavioral Science. While there are many tenets of it, we have discussed only four of them here and their possible implementation strategy in Leadership Development.

In the past decade, the nature of work has become complex. Technological advances, virtual teams, and increased diversity made it competitive. The landscape is fast-moving and ever-changing. Working across geographies, functions, and cultures presents today's leaders with greater challenges than ever before.

Probably this was not enough as a challenge. The world was hit by Corona. Suddenly we were all at home and navigating home, family, and office challenges together. Longer working hours, more calls where you were looking at a dark screen in your pajama, with your family and pets around. As slowly workplaces are opening up, people have started trickling into the office, the need for re-skilling and upskilling are more than ever, because it is cost-effective, and an additional hook of engagement. Therefore, Learning and Development are getting a lot of focus.

In 2020 the estimated market size of the Global workplace L&D industry was ~370 billion USD and annual spend per employee was ~1300 USD (1). In India, the training and development are touching 1 billion USD (2). As per the "State of Workforce Learning & Development report" of 2020 by Mercer-
- 79% Organization believe in instructor lead group training
- While organizations are focusing on AI and Digital Readiness, the top areas are still Leadership and Cognitive Skills (3,4)

While there is so much focus and investment in L&D, *Laszlo Bock, the former SVP of people operations at Google says –*
"Despite the billions spent each year on transformation and training, most of these initiatives have little to no impact on business results. In the traditional workplace, you might walk away from training or an all-hands feeling motivated, but when you go back to your work environment, everything's the same". (5)

Learning is defined as a relatively permanent change in behavior. So, it is time to look at how do we work with behavior not as mere "doing" but take the "being" into account. Maybe we need to go a step further and look at behavior as a function of -person, action, and context.

Human beings are not Homo Economicus or Econs who would have stable preferences, who always choose what they intend to, who always act independently. They have rather limited resources, limited willpower, and irrational. As Dan Ariely writes in his book "Predictably Irrational" – "Our irrational behaviors are neither random nor senseless, they are systemic and predictable. We all make the same type of mistakes over and over, because of the basic wiring of our brains". Therefore, the need is to broaden the focus from the person to team chemistry, context, the person, and the behavior change.

So, for the leadership development of today's leaders, we need a holistic science that makes Econ Thinking and Psychology meet midway, which is called Behavioral Science, a popular buzzword. But what is it? Let's have a working definition. Laura Zimmermann makes it easy – "Let's take a bit of psychology, some neuroscience, a bit of sociology and behavioral economics and some other disciplines and mix it all". It is a field that combines psychology, economics, and neuroscience to paint a clearer picture of how people think and act upon information, sometimes unknowingly and not in their self-interest!

It is a comparatively new and evolving science with a large spread. It gets expensively used in Consumer Behaviour, Marketing, Public Policy, yet not used so much in the L&D space with a conscious plan. How do we apply it in leadership development then? Workplace learning will achieve its result when it will build productive habits. We need to focus on the entire continuum

Awareness- Intent- Action/Behaviour- Habit- Outcome.

Let us see what we can incorporate consciously in the Leadership Development initiative, which also includes Leadership/Business Coaching. While there are many principles, we would look at a few of them. These can be used while identifying training needs, designing an intervention, creating content, facilitating/coaching, and measuring impact.

System 1 & System 2 Thinking –

We have two different ways of thinking. Which Nobelist Daniel Kahneman calls System 1 and System 2 Thinking. (7)

- System 1 (S1) operates automatically and quickly, with little or no effort and no sense of voluntary control. It is automatic, fast, intuitive, and often driven by feelings.
- System 2 (S2) allocates attention to the effortful mental activities that demand it, including complex computations. The operations of System 2 are often associated with the subjective experience of agency, choice and concentration. It is effortful, analytical and conscious.

When we are designing an intervention, it is possible to notice and also bring to notice of the participants and the organization, what is System 1 already present and what we want to bring as new, which will be System 2. And plan how the new System 2 can be turned into a future System 1, which will be automatic at a personal level and collectively will create culture. This construct can be used both in facilitation as well as one on one or small group coaching. This can serve as a new lens that can help us to derive a better outcome.

Heuristics and Bias –

At all levels in an organization, we make decisions. The complexity of decisions increases as one grows in the organization. Whether leaders conducting a meeting, driving a project, recruiting a new employee, or working on a strategy they do carry their S1 thinking, which is a machine for jumping to conclusions. Sometimes we exaggerate consistency, sometimes we ignore absent evidence, we get biased to believe.

Heuristics are the rule of thumbs that are useful and mostly correct, yet when applied in wrong situations, creates **bias**. Sometimes we get driven by things like availability, recency, or vividness, and sometimes by a halo effect. There are times we find a pattern when it does not exist because it gets in sync with our S1.

There are a set of heuristics and biases that are well understood. This can be used to improve our decision making, influencing ability, and can heighten our awareness. This can help us improve our prediction. It helps us evaluating where expert intuition is possible vs. where it is not. It may even help us to decide where do we want to exercise choice, and thereby making us more efficient.

The knowledge of heuristics and biases provides a powerful lens that can be used during facilitation or action planning exercises during coaching conversations and reflection exercises. It can give us a different set of curious questions to ask, like-

- What am I discounting here?
- Am I only looking at what conforms with my assumption?
- Am I seeing a pattern that does not exist?
- What am I missing here?

All these are powerful questions for reflections.

THE COGNITIVE BIAS CODEX
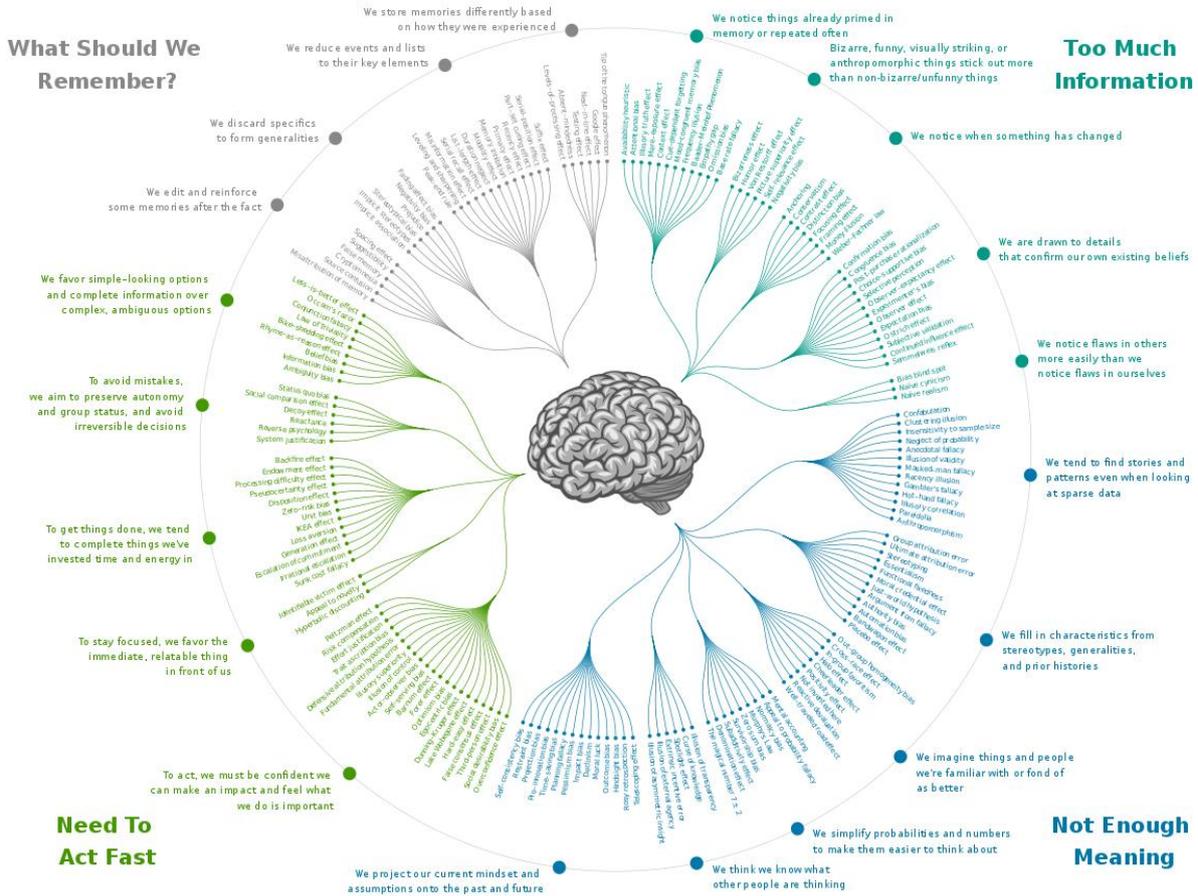
Nudges-
Many of us struggle to keep our new year resolutions despite having all the intent. Nudge can bridge the gap between Intent & Action. Nudge is a way to achieve an intended action, by organizing the right context. In their 2009 book *Nudge*, Professors Cass Sunstein and Richard Thaler provide a revelatory look at the powerful effect positive reinforcement and indirect suggestions can have on behavior and decision-making. Therefore, putting fruit at eye level counts as a nudge, banning junk food does not.

So, what exactly is Nudge then? -Any aspect of the choice architecture that alters people's behaviors in a predictable way without forbidding any options or significantly changing their economic incentives. (9) So, Nudges alter behavior in a predictable way, without forbidding any option.
How do we use Nudge in Leadership Development? – There are three broad types of Nudge -a) Default b) Simplification c) Salience or Reminders.

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- To use a Default nudge we can make **personal development progress** a part of a monthly performance review slide deck across the organization. Day's first login page can be a learning moment…
- We can simplify the training content, make it bite-sized, and connect it with workplace problems

- We can create more touchpoints like- intermittent group coaching, bite-sized learning nuggets through mobile learning, their preferred chat app, casual learning conversations. Every facilitation session or coaching session can end with the question –
    - "How will you remind yourself to remain focused on your action?" or
    - "What nudge do you need to continue making progress?" or "
    - "What help will you need from your line manager, colleagues, to stay on track on your development journey?"

Nudge is a powerful construct to make Leadership Development outcomes more positive.

Habit-
43% of what we do are habits. (10) Therefore, if the desired behaviors can be turned into habits, there is a higher chance that they would stick, because habits are actions performed automatically without conscious direction. To get the ROI that we are looking for from Leadership Development, it must focus disproportionately on participants forming the intended habits.

Our experience suggests that inhabit formation, the mindset is overrated. Mindset is necessary but not sufficient to form a good habit. Professor B.J. Fogg, the author of **Tiny habits**, says-

- Behavior change doesn't have to be difficult, intimidating, or unsustainable.
- It doesn't have to end in failure and frustration every time.
- And it is possible to create new, lasting behaviors (that can transform the lives of your clients) — no willpower required — when you have the right approach.

So how do we use this newfound knowledge of -We are as good as our habits! Let us break it a bit. Forming habits have four parts
- **Context-** Let us make the habits that we want to form easy, or **Fuel** them and let us create **Friction** for the habits that we want to drop. E.g., don't carry a laptop during training programs. Let the training follow-up materials simple, catchy and easily accessible, and quick.
- Let us **Repeat** it, and not for 21 days, the data suggests, it has to be 65 days on average. (10).
- Let us make it so **embarrassingly simple and small** that we take the skill and the will out of the game. E.g. – will spend 5 minutes every day for self-learning
- **Stack** a new habit with an existing habit. E.g.- After my team meeting gets over at 9.30 am., I will spend 5 minutes with one of the team members in seeking feedback or I will appreciate one of my team members.

These are powerful yet simple concepts that can create impact. How do we use it-?

- We can make the Habit framework a part of the Individual Development Plan (IDP) template to be used for quarterly appraisal, post-training planning, or as a part of one-on-one coaching IDP
- During action planning during coaching conversation or facilitation, add the question- "How can we work on the context? Who can help? What can come in the way?"
- We can ask – "What is one small 2-minute action that you want to start from tomorrow?" "With which present habit, you want to stack your new habit?"
- "How will you remind yourself for the next two months, to do this?" or "Who can be your accountability partner?"

While many more principles of behavioral science can be used to make Leadership Development more effective, starting with these four that we discussed here can be a good beginning. We can work on them like System 2 and over some time make them System 1. Let us start with the question that we mentioned above—

"What is one small 2-minute action that you want to start from tomorrow?"

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