

**‘Natural Law’ column number nine, by Michael Price (uncorrected proof)**

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### **The evolution of a leadership problem**

Finding good leadership is a perpetual problem in all kinds of organizations, but particularly in banks. According to Mark Van Vugt and Anjana Ahuja, who take an evolutionary view of leadership in their book *Selected*, “The banking industry is a textbook model of how not to do leadership. Executives lent money they did not have, giving themselves huge bonuses in return, even as governments bailed them out with billions from irate taxpayers”. In order to understand why such leaders are perceived as bad, and what kinds of leaders people would prefer, it helps to consider how humans are adapted for leadership and followership.

From an evolutionary perspective, people pursue leadership roles mainly because these roles entail high social status. Ancestrally, being higher status meant having increased access to all kind of resources, including reproductive resources: anthropological data show that higher status men in premodern societies have more mating opportunities, more wives, higher-fertility wives, and more offspring. People become high status via their power to either benefit or harm others. If their status is based on their ability to benefit others (e.g. because they’re wealthy, attractive, or knowledgeable), then it can be considered *prestige* that others have allocated to them voluntarily, in exchange for these benefits. However, if their status is based on their ability to harm others (e.g. because they’re threatening and ruthless), then it can be considered *dominance* that results from others being afraid of them.

Leader-follower relationships can be based on either reciprocity/prestige or coercion/dominance. People are evolved to prefer the reciprocity/prestige kind, when they are in the role of followers, because this kind provides greater benefits for followers. Specifically, among ancestral humans, leaders probably improved followers’ chances of success in vitally important activities by providing them with expertise (like knowledge about hunting, warfare, or moving camp), and organizing them for effective group action. Leaders, however, often benefit more when their status is based on dominance rather than reciprocity, because then they can worry less about losing status if they fail to generate benefits for followers.

In the types of hunter-gatherer environments in which people evolved, leadership tends to take the reciprocity/prestige form. This is especially true in *nomadic foraging* environments, like those of Australian Aborigines. In these societies, leaders are chosen by followers based on how convincingly they demonstrate that they have some service to offer the group. Nomadic foragers have low tolerance for leaders who too brazenly pursue status, and due to their low population densities and lack of permanent settlements, they can (and often do) pack up and abandon leaders who become too dominant. However, in hunter-gatherer environments characterized by concentrated resources,

permanent settlements and high population densities, like those of Native Americans of the Pacific Northwest, it's harder to abandon domineering leaders, and leadership will more likely be based on coercion. For example, the practice of slavery—which is virtually unknown among nomadic foragers—was widespread among Pacific Northwest hunter-gatherers.

The point of this anthropology lesson is that although both reciprocal and coercive leadership can be considered “natural” and consistent with evolutionary design, people in the role of followers—the large majority of people in any organization or society—are adapted to regard reciprocal, service-oriented leadership as the good kind and coercive, self-serving leadership as the bad kind. That's why, in a study of universally-valued leadership traits conducted in 61 cultures (the GLOBE study, cited in Van Vugt and Ahuja's book), respondents consistently preferred traits indicating the *willingness* and *ability* to provide benefits to followers: willingness in the form of pro-social disposition (e.g. trustworthiness, fairness), and ability in the form of group-beneficial skills (e.g. intelligence, competence). On the other hand, there was universal aversion to traits associated with coercive, self-serving leadership (e.g. dominance, selfishness).

Leadership in banks has been perceived as bad, then, because it has been oriented towards rewarding itself and maintaining its status based on its ability to do harm (if the banks fail, the civilization collapses), while being unconcerned about delivering reciprocal benefits to any group of followers. These followers include, of course, the employees of the banks themselves; the reckless way that banking leaders have treated their own organizations has not made them seem particularly concerned with the welfare of these followers. But the followers also include members of the general public who see banking leaders not just as heads of their own companies, but as leaders in the larger society, as influential citizens with political clout who are allocated a great deal of status by the public. And these followers feel short-changed: in exchange for the status that they give to these leaders, they expect some service in return that will benefit them, and they don't think they've been getting it.