

Do Outside Enemies Make Us Nicer to our Neighbors?

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December 4, 2015



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Where were you in the 80's? Political leaders like Ronald Reagan and Margaret Thatcher were liberating the economic forces of enterprise and value creation through the development of laissez faire policies. The businesses of the era, led by hard-driving focused champions of competition such as Jack Welch and Lee Iacocca, were constructing environments designed to maximize shareholder value. These were leaders who broke the mold of conventional consensual bureaucracy. But look back a ways to how that corporate paradigm came into being—through Henry Ford and his successors who built what was dubbed “the machine bureaucracy”—and you see how principles of rationality and efficiency created the post-Victorian era of social development. Now look ahead and what do you see? Steve Jobs, Marissa Meyer, Larry Page, Sergey Brin, Mark Zuckerberg, and the legions of new leaders of the digital age who have played a part in creating highly empowered environments for the flowering of technical wizardry.

Current thinking on economic development sees this as the development of institutions in ways that adapt to the needs of the times. This argument is all well and good, but it is dehumanized. Economic analyses often overlook the role of agents, even though institutions are created by groups of willed individuals and are sustained by their directive energy. This is the historic mission of leadership and has been throughout the course of human evolution. It is leadership as a process that brings people together, helps them find or define their common purpose, and shapes the coordination of effort—often via the design of institutions—toward solving the variety of collective problems we face. This is the new perspective that the study of evolution takes us to in relation to leadership.

In an [article](#) that appeared in *Academy of Management Review*, we used the biologically inspired concept of niche construction—the process whereby individuals, through their activities, interactions, and choices, modify their own and each other's environments—to understand how leadership can strategically create selection pressures with a variety of downstream consequences (Spisak et al., 2015). Essentially, over the course of human evolution, leadership has become an extremely powerful adaptive process and can do much more than respond to group coordination problems in the natural environment.

Leadership can also drive modifications of the environment and create novel evolutionary pressures to orchestrate the process of change. This perspective connects biological and social sciences to provide a startling novel and clear picture of organizational evolution and behavior. Whether it is biological or cultural, evolution operates on a set of fundamental principles—i.e., variation, selection, and replication of the relatively more adaptive options—which can be used to model organizational change.

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Evolutionary science offers a unifying theory that integrates the accumulating insights from the biological sciences to enhance our understanding and prediction of the effects of leadership via its interaction with the organizational environment. It also raises challenging questions about how and why we arrived at large-scale coordination. For example, in our article we state, “It is both fascinating and helpful to understand what initially allowed us to cross the threshold from informal [kin-based] leadership into formal, less genetically related leadership, given that (1) natural selection focuses primarily on the individual level (Williams, 1966) yet (2) large-scale formalized leadership in loosely related social networks typically involves an asymmetric payoff favoring the leader (i.e., a relative cost to the individual follower; Hammerstein, 2003)” (p. 296; Spisak et al., 2015).

Followers often engage in costly behaviors that violate assumptions of self-interest—what has been referred to as “followership investment” (Spisak, et al., 2011). Consider frontline soldiers at the extreme. Yes, they may over time increase their reputation—and ultimately their success—through acts of bravery, but there is definitely a time lag with many risks between costly investment and beneficial return at the individual level. However, if it were not for this sacrifice of immediate self-interest, then armies—and large-scale organizations in general—would have a hard time stabilizing and competing with other groups.

One of the primary assumptions we apply to explain such large-scale leadership and followership dynamics is derived from what is called “multilevel selection theory.” Simply put, if the pressure for success is at the individual level, then we tend to focus on self-interest and if the pressure for success is at the group level, then altruistically sacrificing for the group is adaptive. Thus, with a little help from leadership, the frequently quoted observation from Wilson and Wilson (p. 345; 2007) seems to be highly plausible: “Selfishness beats altruism within groups. Altruistic groups beat selfish groups.” The question we ask in our article is why do these large-scale dynamics evolve and what is the coevolutionary role of leadership?

Let’s consider pre- and post-Cold War in the United States as an anecdotal example of this multilevel tension for success and how leadership can influence evolutionary change through niche construction. Specifically, toward the end of the Cold War, U.S. healthcare and tuition costs began to skyrocket (e.g., Cutler & Madrian, 1998; Helen & Rogers, 2006) and employee–CEO pay gaps expanded rapidly (Hall & Liebman, 1998). From a

multilevel perspective, one could argue that as group-level pressures eased—that is the fall of the Soviet Union—and the United States became the sole superpower, the pressure for success increased at the individual level.

Essentially, there were two powerful groups constructing opposing niches—communism and capitalism—and when the USSR “lost,” competition in the United States shifted inward. Consequently, the prosocial costs individuals accepted to strengthen the group—such as subsidized healthcare and tuition—were perhaps not as relevant as the competitive benefits individually amassed from self-interested, profit maximizing strategies.

One can see how at this point leadership intervened to modify the niche. It can be argued that this shift in competitive focus from between group to within group allowed for the leadership process to construct different types of cultural architecture. Recall the switch to laissez-faire deregulation and a fixation on shareholder value mentioned in the introduction. The main point is that leadership is a powerful process for adjusting the evolutionary trajectory of society with lasting and significant downstream effects.

So what are some of the modern consequences of previous niche construction? In our article we propose that leadership constructing a niche that favors the individual level ultimately weakens the group and makes it vulnerable to a new round of group-level pressure. For example, it will be interesting to see if the economic rise of China—which has recently taken over as the largest economy in the world—will negatively correlate with the costs of healthcare and tuition in the United States. If multilevel selection theory holds, then as China—through its own niche construction—becomes more competitive, the pressure for success in the United States will switch from the individual-level back to the group-level. At this point—again, if multilevel selection theory holds—leadership will need to change gears and begin constructing a niche that selects for outcomes prosocially adaptive at the group level to address between-group competition.

Perhaps, for instance, U.S. healthcare and tuition costs will decrease and CEO-employee pay gaps will minimize as a sign of altruistic/prosocial investment in response to an increasing group-level pressure. From a management perspective, it will be interesting to see if there is a shift in orientation away from single-minded shareholder value to stakeholder reciprocity. We suspect yes. Even Jack Welch—one of the godfathers of shareholder value—has changed his tune. At the end of the day, it may no longer be acceptable or—more important from an evolutionary perspective—sustainable to progress with such a degree of self-interest. This is a cyclical pattern that has persisted for millennia where leadership makes history, and history makes leadership. It is an amazing social process that is both a product and driver of human cultural evolution.

So where to next? If we are switching to group-level niche construction we will need—at the very least—leadership processes that can create a downstream impact with the necessary group-level benefit. The profile of leadership may differ significantly from the Gordon Gekko “greed is good” days. Instead of the usual leadership cocktail of charisma,

dominance, and status seeking, we will likely need leaders who excel in emotional empathy, diplomacy, and what has been referred to as “tending-and-befriending” (Taylor et al., 2000).

The reason for such a profile shift is the necessity for maintaining multiple streams of reciprocity and trust far beyond the shareholder. It is not adaptive to focus so much on a minority of shareholders relative to the larger stakeholder community when significant between-group competition is knocking at the door. As stated in the last line of our article, “Ultimately, it will be the quality of leadership and the willingness and ability of followers to execute niche construction strategies that will dictate the success and failure of future organizational forms” (Spisak et al., 2015). Pretending to be prosocial while maintaining your offshore corporate address may not cut it in the near future.

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