

[<< \[Back to News and views\]](#)

The second and final part of a series published in *Management Consultancy* magazine

*Research keeps showing that pushing through change in any organisation depends on energetic support at the top. So why do leaders and managers - who know this - find changing their firms, departments or teams so difficult? And what can they do about it? Tony Scott suggests some answers.*

## Fear of flying

**TIME:** About 11pm. **PLACE:** An off-site seminar of 20 head-office executives from a large service company. **SITUATION:** After 14 hours together, the executives have, with main Board backing, become enthusiastic about a change programme which aims to devolve power to branch level in order to improve responsiveness to clients and boost revenue.

Then news comes in about a new type of outlet the company has launched the same day. It's been, says the outlet's marketing man on the phone, a public-relations and financial triumph. So many people came that managers had to close the doors six times. Revenue on the day has been three times the forecast.

The executives decide to create newsstand-type posters and place them in the head-office lobby overnight, so that all staff can see the morale-boosting news first thing in the morning. Beside the joy of good tidings, here is a chance for the executives to demonstrate publicly their commitment to the corporate change. One of the group, a calligrapher by hobby, draws up the posters.

It is only when he presents the posters for group approval that the doubts surface: *"Don't head-office notices need approval by a director? Doesn't company policy say all notices have to be signed? Who'll take the responsibility of signing - or should we all sign? Will the managing director think posters too flippant? Should anything be said at all ahead of a formal report on the trading results?"*

As the seminar's facilitator, I let the debate circle for a while, then ask the group whether any of them are feeling nervous. No way, is the immediate indignant response. But over the next few hours, eight people come by individually to say that, actually, they're very scared indeed of stepping out of line.

In the end, the posters go up at 3am over a couple of brave signatures. The chief executive is delighted when he spots them - and the executives understand why real change is tricky.

Over several years of working with professional practices and other knowledge-based businesses, I have come to believe that breaking through personal barriers of this kind is more often than not the key to better organisational performance. It's usually even more important than getting the strategy or the structure right. And it's most important at the most senior levels.

Why this is so seems to have much to do with the instinctive behaviour of humans under pressure: do what used to work before, but do it harder. Since organisations change only in response to pressure, real change necessarily involves noticing and questioning these instinctive reactions. It's far easier to duck the challenge, even at the price of failure.

The instinct to hold on to the known is hardly surprising. However commercially

dangerous not changing might be, it *feels* safer - from the individual's point of view - than moving off down a new behavioural path. The nervousness is understandable because *nobody* in the organisation has yet been down the new path, and that knowledge of course adds to the inner tensions.

The image that for me best captures the problem is walking. In order to walk, we actually start by toppling forward; only then do we put a foot beneath the body's new centre of gravity (it's easier to notice the process if you try walking backwards). The point is that we can't move at all unless we're willing to accept losing our balance at least temporarily.

So any attempts to remove in advance all the uncertainties of change - by planning, proceeding only by consensus, or any other means - have the effect of slowing the process dramatically or stopping it altogether. Ironically, that prolongs and magnifies the tensions which make change so difficult in the first place.

As the economist JK Galbraith once pointed out: "Faced with the choice between changing one's mind and proving there is no need to do so, almost everyone gets busy on the proof" - usually without noticing what has driven the choice.

The phenomenon is apparent across all organisations and at all levels. The chief executive of a national supermarket chain, for instance, made his name and won his promotion in the 1980s as a hard-nosed cash-controller. So much so that all spending, down to expense-account claims for less than £10, would wind up on his and other directors' desks for final approval - even though they already had signatures from five or six lesser managers.

As a way of signalling an end to earlier sloppiness, the controls worked splendidly. But in the 1990s turnover began to fall off, and the need for greater productivity and local flexibility became urgent. In these new circumstances the controls worked only to slow decision-making, sometimes by months - damaging the organisation's morale and its ability to put local sales-boosting initiatives into place. Nevertheless, the chief executive's response was to set up still more central controls.

Why? Because he was following unconsciously the instincts that had worked for him before. Worse, he could not be swayed from the path, even though he knew intellectually that his old instincts weren't working. Indeed, he continued to pursue the same instincts right up to the moment he was fired.

In professional firms and service businesses, the same patterns are apparent. Look, for instance, at the marketing habits of the professions. In the late 1980s, consultants - like accountants and lawyers - produced lots of brochures, and lots of work flowed in. I know of no firm which did any serious testing of whether there was any connection between the two events, or which compared the results from brochures with the results from other approaches. But the belief took hold that brochures work. So what are most professional firms doing, now that competition for work is tighter? More brochures.

Two examples may help to show how insidious can be the effects of following old instincts unquestioningly.

- A partner in a large firm was put in charge of an under-performing regional office with a brief to turn it from a "coaster" into a "racer". He's clear that the local partners need to sell more (most of their work is referred from London) and to act as a team rather than as sole practitioners (there's little cross-selling and less trust). That must mean leading by example and launching new approaches - ideally several at once to improve the odds of success. But his personal instinct is to avoid risk and to find "the right answer" before acting. So, apart from exhorting the partners to change - which hasn't worked - he's still looking... a year after moving in.

- The chief of a medium-sized distribution business nursed it through a time when its survival was in doubt. It's now growing, albeit slowly, and the chief wants to let go of the daily management burden. He's brought in new heavyweight lieutenants for that purpose and urged them to get on with it. But his unnoticed instinct is to keep tight personal control of everything - because the company is "his" baby - and to undermine anyone who acts independently. The result: he has yet to build an effective management group... after five years of trying.

Leaders of any business have to fight hard to spot and break free of such instincts, because they have few peers to lean on for help, and because, if a leader falters, his subordinates will run for cover. But leaders of knowledge-based businesses, and particularly professional practices, face three special difficulties:

**First**, their fellow partners are better placed than outside shareholders to block change. And, like the leader, they will instinctively want to repeat the behaviour patterns that got them to partnership, *whether or not those patterns are still appropriate*.

**Second**, because professionals are among the brightest people in the country, the arguments they throw up in defence of their instincts are likely to be highly sophisticated. The arguments may be only rationalisations, masking a deeper uncertainty, but that won't stop them seeming plausible.

**Third**, knowledge-based businesses largely depend for their success on their critical and analytical skills. For that reason, they tend to apply the same faculties internally. That can mean the organisation has an instinct to see negatives and weaknesses rather than strengths, and a preference for blame rather than praise. These tendencies cannot and should not be eradicated; they have a valuable restraining function. But they do increase the inertia of the organisation's culture.

The effect of all three difficulties is to create pressure on leaders to adopt an incremental approach to any change, or to delay action until they have cast-iron assurance that they can achieve precisely the change they want.

The trouble is that, in the nature of things, nobody knows for certain what will work until after it's been pilot-tested. Nor is it possible to predict all the results of change in advance; the road ahead becomes clearer only when you're moving along it. In addition, an incremental approach runs a greater risk of leaving more openings for resistance (*"If the boss isn't sure, why should I be?"*) or delay (*"I don't need to make any real changes yet"*).

Arthur Radford, an American admiral turned management guru, defined the dilemma this way: "A decision is the action an executive must take when he has information so incomplete that the answer does not suggest itself." Or, as the French author André Gide wrote: "One doesn't discover new lands without consenting to lose sight of the shore for a very long time."

The only armour that can withstand the external pressures and uncertainties is internal: the leader's own conviction in the necessity for change, along with a willingness to start moving anyway, and the confidence to handle unforeseen problems as they arise. And the fire which forges such armour is the personal ordeal of breaking through the inner fears which drive instinctive reactions.

The ordeal is never easy, but it is necessary. Until it happens, nothing much else will.

In the words of the German author and poet Goethe, a professional himself (he trained as a lawyer): "Whatever you can do, or dream you can, begin it. Boldness has genius, power and magic in it."

**Jo Oliver**

020-8883-3937  
07940-717-589

**Tony Scott**

020-8444-8800  
07973-829-209

[info@  
oliverscottconsulting.com](mailto:info@oliverscottconsulting.com)

*[\[Top of page\]](#) [\[News and views\]](#)*

Oliver Scott Consulting Ltd is registered in England no 4576659. VAT registration 602 9241 67