



LEADERSHIP INSIGHT

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Leading Responsibly Through Change: *A Call For Creative Conflict*

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On the CAL 2018/2019 theme of 'Leading through Change'

"Nothing is so painful to the human mind as a great and sudden change", wrote Mary Shelley 200 years ago, but her words have an enduring relevance. Transformation *is* challenging, but anyone leading a major organisation knows that change is required at a time when traditional assumptions and ways of working are being challenged with great frequency. Public expectations of leaders are growing and organisations of all types are increasingly being asked about how they operate. Governments and public sector organisations stand accused of inefficiency, short-termism and being chronically out of touch with the populations they serve. Organisations that have failed to respond adequately to shifts in the world around them have been more likely to fail entirely. Kodak, for example, famously invented digital photography in 1975 but refused to believe it would ever be used, and Blockbuster struggled to accept that

technology was reshaping film consumption - deciding not to buy Netflix for \$50 million in 2000. Blockbuster went into administration 13 years later, while Netflix is now worth \$100 billion. Many other organisations have struggled to face up to problematic behaviours, which have led to substantial reputational damage (as in the case of the banks' mis-selling of payment protection insurance (PPI) and Volkswagen's cheating in emissions tests) and even to liquidation (seen in the demise of Carillion which, a Parliamentary inquiry recently argued, was the result of 'recklessness, hubris and greed'). Time and again organisations appear to be in their own cognitive bubble, missing the bigger picture, ignoring issues of bad behaviour and side-stepping public concern.

Why is this? Part of the answer is that behaviours that have led to success in the past become embedded in how organisations operate through deep systems of beliefs, habits, policies and processes. This effect threatens to make organisations the prisoner of past accomplishments and consequently less well placed to succeed in the present and to prepare for the future. If culture then is almost always set *against* change, what are the implications for leaders? Over the last three years the Forward Institute has worked with leaders from 30 major organisations to explore responsible leadership in practice. Our work has highlighted three ideas that are vital to successfully and responsibly lead through change (to be covered across two *Leadership Insights*), the first of which is fostering creative conflict around you.

Idea 1: Foster Creative Conflict

When things go wrong in organisations, group-think - a pressure to conform and a lack of challenge - is often identified as a root-cause. Investigations into NASA's Columbia space shuttle crash, the Enron financial scandal, the BP Deepwater Horizon disaster and the Chilcot Review into the Iraq war, have all highlighted unsuitable hierarchical structures and group dynamics which stifled open dialogue and made it hard to express concerns to those in power. Research by New York University in 2003 reveals that this is not an uncommon situation and argues that 'employees often do not feel comfortable speaking to their bosses about organizational problems or issues that concern them due to 'fear of being viewed or labelled negatively'.

It is vital, therefore, to create an environment in which employees feel able to ask 'stupid questions', air dissenting views, and ask for help. Indeed, research by Google suggests that a culture of 'psychological safety' - the belief that you won't be punished when you make a mistake or speak your mind - is the most important characteristic of a successful team. The safer individuals feel, the more likely they are to admit mistakes, to challenge bad behaviour, to

come up with new ideas and to collaborate well with each other. Yet while the research on this is compelling, too many organisations and leaders only pay lip-service to this idea.

To create healthy cultures in which individuals will speak their minds candidly for the greater good, leaders should start by asking themselves some important questions. How often do I stop myself from raising concerns with others, and why? Do my behaviours help create psychological safety for those around me? How do I react when things go wrong or when I am criticised? Do I proactively seek challenge? How often do I openly share and examine my own mistakes? For us all there is a gap to close between our values and our actual behaviours, between intentions and actions. It is also important to consider the make-up of the teams around you – for many of the worst decisions made have been in rooms where everyone violently agreed with each other. Truly creative conflict requires a rich mix of different personalities, experiences, backgrounds, ways of thinking and world views. The recent focus in many organisations on the importance of gender and ethnic diversity then is not just a moral issue, but about supporting genuine diversity of thought so that better decisions are made.

Establishing a culture where different voices and views are heard and considered has the potential to also help confront the problem of 'wilful blindness'. Organisations (and indeed every unit within each organisation) are likely to suffer from issues and behaviours to which they are blind, which are not discussed, or which appear pointless to bother challenging. Often diffusion of responsibility provides an excuse for these issues not to be discussed because such issues can always be dismissed as somebody else's responsibility – especially if they lie across organisational boundaries. Most organisational 'failings' are not the result of a clear decision, but lots of people failing in little ways over a long time to adequately address grumbling issues. The short-term nature of Army postings can make this a particular challenge – why raise an issue that will be beyond your tenure to resolve when it can be passed to a successor to deal with? To lead responsibly through change then requires us all to be on a mission to reduce organisational silence. To encourage those around us to speak up candidly, and to ensure they feel that they will be supported when they do so. To confront the truth ourselves and actively walk towards problems, rather than stick our heads in the sand and hope that somebody else will deal with them. Just as leaders take ownership for their decisions, responsible leaders also take responsibility for important issues that lie outside our own authority but form organisational blind spots.

To do this effectively requires us to step back and think. Often though as leaders we feel significant pressure to be highly focused, to deliver short-term goals and to be very 'busy'. A

recent Forward Institute survey of 2,000 employees across 25 organisations found that remarkably few respondents agreed with the statement: ‘My organisation allows me time to reflect’. Many organisations instinctively find a preference for noise and immediate actions, valuing efficiency over effectiveness. The penalties associated with this are significant. Having no time to reflect means that not only are we too busy to make sense of our experiences, but we might be too busy to actually ‘lead’ and intervene when we should.

Often the problems facing organisations and the barriers to change feel too big or deeply entrenched for us to impact, but at the Forward Institute we have been inspired by many of our Fellows and their teams who have taken responsibility and led simply from where they are. We have seen that small steps can (and often do) lead to significant change. For an organisation’s culture is nothing but the sum of small actions, habits and choices. Meaningful change depends on small initiatives and ‘creative conflict’ from everyone.

In *Leadership Insight No. 8 (Part Two)*, Adam and Ruth will explore the remaining two Forward Institute ideas prevalent in organisations that lead successfully through change.

Questions:

- Do you feel free to speak up and challenge those around you? How free do your team feel to challenge you? How can you create a more psychologically safe environment?
- What wilful blindness do you see around you? What conversations does your unit or team need to have that it isn’t? What can you do to walk towards those problems?
- How ‘busy’ are you? How much time do you and your team take to step back and reflect (individually and collectively) on what you are doing, and what needs to change?

Further Reading:

- Margaret Heffernan *Wilful Blindness* (2012) and *Beyond Measure: The Big Impact of Small Changes* (2015)
- Frances J. Milliken et al *An Exploratory Study of Employees Silence: Issues that Employees Don’t Communicate Upward and Why* (2003)
http://homepages.se.edu/cvonbergen/files/2012/12/AN-EXPLORATORY-STUDY-OF-EMPLOYEE-SILENCE_ISSUES-THAT-EMPLOYEES-DONT-COMMUNICATE-UPWARD-AND-WHY.pdf

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