Chapter 6: Conflict

This chapter looks at how conflict can be among the most positive as well as the most negative events in organisations. It touches on cultural issues, the role of diversity and the risks of unanimity, and the problem that stress poses in this context.

> *Many facts of organisational life can be readily understood if the model of organisations is one which views social patterns not as fixed and rigid interrelations but as the outcome of a continuing tug of war.*
>
> *The Social Psychology of Organizations, D Katz and R L Kahn, 1965*

Key message of this chapter: Conflict is both bad and good, but is not well understood. Few people know how to deal with it, and others need help – which is available.

Many people will run a mile from conflict. Some, who seem to thrive on it, can be looked on rather suspiciously by their colleagues.

Costs and benefits of conflict

For many years the prevailing view was that all conflict is bad. Where it was accepted as inevitable, such as the letting of contracts or changes to terms of employment, it was hedged about with complex procedures to defuse its explosive potential. Dealing with these has become a specialist industry, and we don't address such negotiations in this book: this chapter is about the rather murkier area of conflict between people and groups within organisations, its potential for good and bad, and how it is handled.

For conflict in organisations is a good thing, not a bad thing, provided it is well managed and well used. Work is important to people. They hold different beliefs about it. Sometimes they believe them passionately for the sake of truth and their organisation's future (and sometimes, too, because their own positions and careers depend on them). In some cases such differences lead to feelings of threat and hostility, and paralysing, entrenched positions where everyone is locked in the past, endlessly re-fighting old battles. But in others they are a source of new ideas, letting

organisations take fresh directions and adapt effectively to a changing world. Hence, resolving differences does not just avoid derailment, but encourages creativity. Doing it well is essential, if organisations are to survive and flourish.

For there are, as we all know, different ways of approaching conflict. Psychologists now tend to see these as falling into four or five different patterns, namely: avoidance; confrontation; compliance; and compromise, or perhaps better a problem-solving approach which seeks to maximise advantages to everyone. Each of these approaches can be useful in certain circumstances[167]. And any particular conflict can be handled well or badly.

Feelings of hostility need to be controlled and defused. However, constructive disagreements need to be both encouraged and channelled, so that they stimulate creativity and effectiveness without undermining loyalty and commitment. Developing the right social norms and expectations is central in enabling this, and handling this process is one of the most important of leadership tasks at all levels of an organisation. For when it goes wrong the damage can be spectacular, as anyone who has spent any time in organisations knows very clearly.

How can we generalise like that? Studies in this area are difficult, because conflict is so integral to human experience that it is hard to isolate its effects from other measures[168], and though there was a brief period of interest in organisational conflict by scientists in the late 1960s it is only in the last twenty years that much work on it has been done. One especially large-scale study, however, has found some interesting results. In 2008 the British psychology consultancy OPP carried out a large world-wide survey on

[167] For example, compromise is often a good temporary solution, but a poor approach to resolving complex problems properly. The styles and their merits are helpfully set out by the current major work on organisational conflict: Rahim M A, 1992, *Managing Conflict in Organizations*, Westport CT, Praeger, pp 25 and 82.
[168] Rahim, 1992, *op. cit*. p 79.

workplace conflict[169]. Unsurprisingly, they found that conflict was universal. 85% of employees had to deal with conflict, and 29% did so "always" or "frequently".

But while 31% of managers thought they themselves handled conflict well, only 22% of their staff agreed. And nearly twice as many staff as managers thought that conflict could be and ought to be dealt with better than it was. This may be because managers think of conflict only when it affects them, and don't make themselves aware of other kinds of conflict – for the survey also found that managers thought that the main area of conflict was between line managers and their staff, while staff, to the contrary, felt that it was the customers who were the problem, with front-line roles being the most exposed to conflict.

Mismanaged conflict carries heavy costs. Any organisation would be glad of a 5% performance improvement. But about 5% of the time of staff in the UK was reported as spent on dealing with conflict. This was twice as much as in the Netherlands, but a good deal less than in the USA, and half as much as in Ireland or Germany. Moreover, conflicts often escalated (89% of staff had experienced this). Results of conflict ranged from personal insults or attacks (seen by 27% of employees), and sickness or absence (25%), to people leaving the organisation (18%) and project failure (9%).

Women were often more affected than men by the emotional consequences of conflict, including feeling they had to avoid certain colleagues, and the consequential hampering of team working. The charitable sector was the most affected by escalating conflicts, and twice as likely as

[169] *Fight, flight or face it?: celebrating the effective management of conflict at work* (2008) OPP with CPP and CIPD; preface by Robert McHenry. 5,000 full-time employees were surveyed across six western European countries, the USA and Brazil. The study does not define conflict, but it's not clear to me either that it helps much to classify it elaborately into ten different kinds (as is done for example on pages 22-23 of Rahim 1992 *op.cit*.).

the average to be affected by sickness or absence as a result (this may be influenced by volunteers, who will find it easier to avoid the pain by staying away from work, or to resist pressures to conform[170]). For half the HR staff surveyed, at least 10% of their time was spent dealing with conflict.

But what do these figures mean? If Germans spend four times as long dealing with conflict as Dutch people, does it mean that the wise Dutch are naturally collaborative and the foolish Germans pugnacious? Or does it mean that the sensible Germans put time into resolving resentments which the silly Dutch are always trying to sweep under the carpet, but which still sit there quietly festering and getting in people's way?

Of course, individuals do differ in how they approach conflicts, and may adopt different tactics in different cases. However, these very different perceptions in a large study show that generalisation about responses can be possible and helpful.

The main causes of conflict were seen as personality clashes (49%), stress (34%), heavy workloads (33%) and poor top leadership (29%). But this varied quite a lot between different countries. Brazilians saw clashes of values as much more significant than other nationalities, while in Germany it was accountability issues which seemed more prominent, and in France lack of honesty or openness. This points up the dangers of generalising, and the need for cultural sensitivity in managing conflict issues, especially in international firms or where immigrant workers are involved.

What helps with conflict management? Encouragingly, the OPP study found that training is helpful. It reported that in France and Belgium there was a low level of training at

[170] See Handy C, 1988, *Understanding Voluntary Organisations*, Penguin, Harmondsworth.

27% or 28% (and even then only half of it was seen as effective); this may have been a response to a relatively low level of conflict in those countries, but it does seem to have led to more negative outcomes where conflict did occur. In Brazil, on the other hand, where over twice as many staff received training (68%), there was a general expectation of positive results from conflict situations.

Training to deal with conflict

So far, all this might be just cultural – perhaps in the survey the words used in French to translate the English "conflict" carried overtones more threatening than those in Portuguese. But the team also found that the relationship in Brazil between training and positive expectations was so strong that there was a distinct statistical correlation between the two, which does suggest that training is worthwhile.

Another less certain factor was age. Overall, twice as many respondents thought older people handled conflict effectively as younger people. But there was also a tendency for everyone to say that people of their own age were the best at this, so it may be that there were simply more older people in the sample surveyed, and the results need to be treated cautiously.

Age

Of course, the easiest way of dealing with conflict is to make sure it doesn't happen at all. And in a lot of organisations the management find it helpful if the only people who join the board are those who are like the present members. This often used to be known as the "old school tie". That isn't quite so obvious these days, but it's common enough, all the same, for boards to be surprisingly homogeneous in sex, race or class background.

This is interesting, since it is an issue which people can be reluctant to unpack, since challenging such basic assumptions can be perceived as time-wasting, or worse. And it's quite true that people with similar backgrounds can

get on well. In particular, they can communicate easily, since they "speak the same language": they have the same kinds of verbal codes and presuppositions which don't need to be articulated.

But that's exactly where the problem lies. Some in-groups are tolerant and creative, accepting of the differences of their members. But others are far from that, and develop a discipline and rigidity which blinkers them to new ideas or to changes in their environment that, in fact, may urgently need attention if the group is to survive and prosper. This has been called "groupthink"[171]. The term was coined in the context of the disastrous 1961 Bay of Pigs invasion of Cuba sponsored by the Kennedy administration in the US; but the phenomenon is, of course, an ancient and universal one.

Group-think

Studies of groupthink suggest that it tends to arise when people in a group enjoy a cosy and comfortable atmosphere, and therefore come to expect that they will easily reach complete agreement on every important issue. They come to feel invulnerable, they are complacent about their ethics, they ignore warnings or rationalise them away, and they stereotype outsiders. Thus they cultivate an illusion of unanimity, and they reinforce it with self-censorship, with pressure on dissidents, and by blocking inconsistent information. They don't tend to penalise critical thinking overtly: instead, they encourage members to internalise group norms so that it doesn't happen. In such circumstances – as in Orwell's *Nineteen Eighty-Four*, of which the term "groupthink" was deliberately reminiscent – dissent becomes literally unthinkable. As a result, challenging ideas, new directions, and even the recognition that things are going wrong, all become impossible. This is very dangerous for any organisation.

However, analysis of groupthink has failed to provide a detailed description of how it operates. Critics of the idea

[171] Janis I L, 1971, "Groupthink", *Psychology Today*, November 1971, pp 43-46.

point out[172] that, though it meets the common sense test, it is hard to operationalise, it tends to explain at a high level of generalisation, and it addresses the psychology of the individuals involved, rather than the dynamics of the groups studied and the impact of their political and historical contexts.

Despite such criticisms, it is evident that, where there is insufficient challenge or variety of perspective, there are risks. Teams need to be led in a way which welcomes and values challenges, and which is supportive of the management time that is needed to address and resolve the resulting conflicts thoroughly. A systems perspective is often helpful in this (see page 93).

In general, too, teams need to have sufficient internal diversity to avoid these risks. This may involve the sort of groups that are the subject of recent equalities legislation, such as women or ethnic minorities; or it may involve less visible diversity characteristics such as a mix of arts and science graduates, or of extraverts and introverts. However, there is no doubt but that it's a good idea.

It is also vital for there to be institutions in place to protect victims where there is conflict: we all remember bad things at primary school, and ordinary people can be very cruel, especially if given power without status[173]. And, of course, a team whose attention is on bullying a scapegoat is not one which is focused on the job.

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[172] Wekselberg V, 1996, "Groupthink: a triple fiasco in social psychology", in *Problems of theoretical psychology*, ed. Tolman C W, *et al.*, Captus Press, North York, Ontario, pp 217-226 [the word "fiasco" in the title here picks up the title of Janis's own 1972 book, *Victims of Groupthink: A psychological study of foreign-policy decisions and fiascoes*].

[173] Browning C R, 1992, *Ordinary Men – Reserve Police Battalion 101 and the Final Solution in Poland*, London, Harper Collins; Fast N J, Halevy N, Galinsky A D, 2011, *The destructive nature of power without status*, Journal of Experimental Social Psychology, Volume 48, Issue 1, January 2012, pages 391–394.

The backstop for such protection is employment law. But we all know that though that may be there for you if you can show that you were unfairly dismissed from your long-standing job, or not promoted simply because you were Jewish or black, there are nevertheless lots of cases where there is unfair prejudice but it is entirely personal, and the victim cannot claim the protection of the law.

Malignant conflict

Groups often define themselves in opposition to outsiders, as has been seen in Rwanda, Bosnia and countless other places in human history, but tragedies can be writ small in organisations as well as large in nations. People who belong to the wrong group, or who are simply different in some way, are often bullied at school by children who already ought to know better, and surprisingly many are bullied at work by adults who have had plenty of chances to learn better.

There is an overlap here with the psychology of the individual. Despite recent advances in neuroscience, we cannot see what is going on inside people's heads except in a physical sense, which limits our ability to demonstrate how mental processes work[174]. However, a number of models of these are well-known, and the explanations offered by the psychodynamic model are quite coherent.

Organisations contain people of many different kinds, and inevitably some of them have psychological problems. They may or may not have one of the twelve personality disorders classified by earnest American psychologists[175], but even if they don't they may show tendencies towards them. Any of these will interfere with ordinary social

[174] There has been major progress in neuroscience since the mid-1990s, and a great deal has been claimed for it as a result, but too much of this is at the wrong level to be very helpful – as if someone, asked to explain why a chess-playing computer moved its rook instead of its pawn, were to do it in terms of the electronics involved, rather than of the nature of a chess game.

[175] American Psychiatric Association, 2000, *Diagnostic and Statistical Manual of Mental Disorders*, 4th ed, Arlington, USA.

relations and hence has a potential to provoke conflict within working groups, and people suffering from some of them tend to be attracted to particular working roles (for example, a number of people in positions of authority, it has been argued, suffer from a degree of narcissism, which, like psychological splitting, can lead to destructive emotional behaviour and the depersonalisation of others[176]).

On the other hand, it would be silly to expect all employees to be Brave New World-type clones. Indeed, the diversity of our colleagues is what makes our teams work well, and creates the grit in the oyster which is also (as it were) a seed of change and creativity; too much agreement and trust within an organisation can lead to blindness to external change, and the kind of problems which Marks and Spencer fell into in the 1990s[177].

A problem resulting from recent tendencies towards the intensification of work is that they reduce the spare emotional capacity available to people to make allowances for difficult behaviour by others, and to maintain the social equilibrium of working groups. That makes it all the more important to address issues of conflict properly, rather than to avoid them and hope they will go away. This may be why we see in the OPP study strong evidence from Brazil and elsewhere that training in handling conflict is often a sound investment.

For turning a blind eye to conflict and hoping it will go away is not an option. Not least because all organisations are obliged all the time to deal with change, something which is occasionally exciting, but which in general we all resist vigorously…

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[176] Diamond M A and Allcorn S, 2004, "Moral Violence in Organizations: Hierarchic Dominance and the Absence of Potential Space", *Organisational & Social Dynamics* 4(1), pp 22-45

[177] Hope-Hailey V, Searle R and Dietz G, 2012, *Where has all the trust gone?*, CIPD, Wimbledon, p 25.

Chapter 7: Change

This chapter warns how change often tends to be misused, and looks in some detail at how IT projects can illustrate the risks of change. It describes the principal models of successful change management, stressing the importance of communications, and explains how systems thinking is an especially helpful approach.

> *Caelum non animum mutant qui trans mare currunt.*
> *Travelling elsewhere may vary your surroundings, but it cannot change your character.*
>
> Q. Horatius Flaccus, *Epistles*

> *Change is inevitably to some extent an excursion into the unknown. It implies a commitment to future events that are not entirely predictable and to their consequences, and inevitably provokes doubt and anxiety. Any significant change within a social system implies changes in existing social relationships....It follows that any significant social change implies a change in the operation of the social system as a defence system. While this change is proceeding, anxiety is likely to be more open and intense. Resistance to social change can be better understood if it is seen as the resistance of groups of people unconsciously clinging to existing institutions because changes threaten existing social defences against deep and intense anxieties.*
>
> Isabel E. P. Menzies, *The Functioning of Social Systems as a Defence against Anxiety, 1961*

Key message of this chapter: There is good agreement on the basic principles of organisational change, but it requires good planning and resourcefulness.

Anthropologists warn us that there is always change of some sort in organisations: their environments and their people are constantly in flux, and they must respond to that fact – indeed, management would hardly be needed if this was not so. But there has been growing recognition in recent years that, when deliberate changes are made in how organisations are managed, this is often handled badly[178]. And this has rightly led to an increasing focus on change itself as a management issue.

[178] CIPD research suggests that less than 60% of re-organisations met their stated objectives, which were usually financial improvement (CIPD factsheet *Change management*, November 2010); see also Gardini *et al*, 2011, "Finding the right place to start change", *McKinsey Quarterly* [Nov], suggesting that in the private sector only one in three large-scale change programmes succeeds.

Change, like much of organisational life, has at least as much to do with emotion as with rational analysis: it is full of the risk of things going wrong, and therefore pretty scary. This is one reason why it is often handled badly: because people's fear of change makes them rush it, or not talk it through thoroughly enough before taking action.

There are three simple mistakes which can be made about change. If they have a common theme, it is under-estimating the complexity of the process.

Errors in pressing change

First, change can be misused, as a badge of honour. New leaders, especially CEOs, often feel they have to justify their appointment by rushing into change: this will show that their predecessor left things in a mess, so that it's just as well that they themselves took over. But unnecessary change, even if well handled, can be hugely costly, diverting resources which would be much better put to other uses. And it also opens up needless risks, for example by disrupting cultural or communications practices which are working well and have taken years to develop.

Second, where the culture *does* need to change, it can be assumed that the problem can be fixed by just issuing notices, or sending people on a "sheep-dip" training course. This is a misunderstanding of what that sort of training can achieve. It is a good way of making sure that everyone takes in new rules about health and safety, or how a move to new offices will work. But it will not by itself impart even complex skills, much less changes in attitudes and beliefs. It may, of course, give people the right vocabulary to use if they want to pretend that change has happened – but that will only disguise the original problem, rather than solve it[179].

[179] See eg Davies I K, 1971, *The Management of Learning*, London, McGraw-Hill; Rackham N and Morgan T, 1977, *Behavioural Analysis in Training*, Maidenhead, McGraw-Hill.

Third, structural change is often asked to carry a load it cannot bear. The new CEO who needs results quickly, and results which are visible to everyone, often decides that it's the organisational structure that needs changing. Superficially, this has a number of advantages. Organisational structures can be changed, if not quite at the stroke of a pen, then pretty quickly – a lot faster than changing people's skills or the organisational culture (the tiresome tailwork of putting the website right can be delegated to IT). Such changes are also easily visible both inside and outside the organisation, and give vivid evidence of the dynamism of the leader responsible. As a bonus, they will also give an opportunity, in the distribution of new posts, to reward friends and punish enemies.

Temptation to structural change

In the real world, however, structural changes do not necessarily make a great deal of real difference. Most things can continue to be done somehow regardless of the organisational structure. And if there is inefficiency, or a poor skillset, or endemic conflict, or a reluctance to face reality in some way, then changes to the organisational structure will not make the situation any better. On the contrary, they may well be an unhelpful distraction from the real problem.

Moreover, structural change is generally costly. It needs planning, consultation, communication and delivery. It often demands consultancy input, maybe a lot of it. And the amount of staff time it takes – in managing the change itself, in the downturn in output resulting from the stress it causes, in recruitment and redundancy, and in the forging of new relationships and in people's training and habituation into new roles – is enormous, and generally a good deal more than expected.

One thing is often overlooked and helps to make the results of change uncertain: that, whatever our position in an

organisation, we only see a small part of it, and we use that to make assumptions about what the rest of it is like. Thus we do not see all the links that relate the parts of the organisation to each other, and also to the world outside (such as customers, competitors, regulators). Hence, when we see a problem which can be resolved by change, it is easy for us to take action which will improve the part of the organisation which we see, but difficult for us to avoid unexpected or even damaging change to the parts we don't.

This is obvious in relation to major IT improvements. Generally, when a new IT system is mooted, the IT specialists know what the IT can do, and line management know what work needs to be done. However, the IT specialists don't know enough about the work to suggest in detail how the IT could help, and line management don't know enough about the IT to suggest what it might be able to help with. Moreover, introducing an IT system generally doesn't mean just doing the things you did before, but using keyboards instead of quill pens: it usually means tackling a lot of tasks quite differently, so as to take advantage of the opportunities the IT offers – processes are often revolutionised, and the people who do them must be grouped differently with new managers, need fresh skills, or may even have to be replaced. Finally, IT specialists have developed a professional language, inventing new words like "functionality" and "middleware" and using old words like "application" and "client" in new ways, which line management can find it hard to follow. Conversely, external IT consultants (which you usually need) don't understand the local language of the line managers. Therefore it's quite obvious that a major dialogue will be needed before a new IT system can be properly planned.

IT project failures

So it is astonishing how many IT initiatives are launched without such a process. And less than surprising that so many major IT initiatives cost more than was

planned, take longer than people thought, or even just fail altogether. Project management has improved greatly to deal with such problems, notably with PRINCE2[180]; but that is still a dark art that often seems to have more to do with politics than with science. Moreover, as PRINCE2 recognises clearly, IT is only a special case: all projects need management, whether IT projects or not, and all project management and change management is tricky.

The National Programme for IT in the NHS is a recent and the biggest example of a project that ran into problems. It was launched in June 2002 to cost £12.4bn and to be completed by 2010, the main component being care records to be completed by 2007; the major supplier was Fujitsu. A National Audit Office report in June 2006 reported good progress, but also some concerns. By May 2008 it had become very clear that there was delay; indeed, the care records were now expected to slip to 2015. On 6 December 2009, in response to the global financial crisis, the Labour Government announced that the project was to be scaled back to save £600m; on 10 September 2010 the Coalition Government announced further scaling back to save another £700m.

In May 2011 the NAO reported that care records had still only been implemented in some areas, and that different systems were being delivered in different places. There had been a major conflict about additional work, which Fujitsu claimed resulted from new requirements, and the Government from Fujitsu's failure to deliver; as a result the contract had been transferred to BT, which of course caused further delay. Costs were held down, but at the expense of reductions of about a quarter in the number of trusts and GP practices to receive care records systems; this meant

[180] Yes, it's an acronym. The name of this project management system, rather elliptically, stands for "PRojects IN Controlled Environments" (though the environments in which I've managed projects have seemed quite hard to control).

abandoning the aim of creating an electronic record for all patients, and an unknown impact on the expected benefits overall. Meanwhile the new coalition Government's plans for devolving authority within the NHS introduced new risks that the need for a comprehensive system might disappear altogether, making the whole thing a white elephant. On 3 August 2011 the Public Accounts Committee suggested that the remainder of the programme be cancelled, and the following month the Government took that advice.

Of course, the NHS IT Programme was not typical. At more than £12bn, it was the largest IT project ever undertaken in the UK[181], and subject to a particularly uncontrolled political environment. But actually it points up quite neatly some of the characteristics even of pretty small problem projects. They include:

(i) Optimism in the initial plan;
(ii) A good start;
(iii) New opportunities arise and internal stakeholders demand more;
(iv) The contractor (who may have bid too low so as to land the contract, and cannot afford to keep his promises) delivers less than expected;
(v) Overspend or scope reduction, bringing failure to achieve planned benefits in relation to costs;
(vi) Change in overall strategy before the benefits are fully delivered, adding to the failure in achieving planned returns[182].

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[181] For comparison, the cuts made to public expenditure in George Osborne's 2010 budget, described (by opponents) as "savage", were £20bn a year, though these were of course recurrent, not one-off.

[182] More specific guidance on IT projects has been given many times (though it is rarely heeded), ranging from Brooks F P Jnr, 1982, *The Mythical Man-Month*, Addison-Wesley, Reading, Mass, to Fishenden J and Thompson M, 2011, *Digital Government, Open Architecture, and Innovation: Why Public Sector IT Will Never Be The Same Again*, http://www.socitm.net/download/1085/digital_government_open_architecture_and_innovation_why_public_sector_it_will_never_be_the_same_again-mark_thompson_ict_futures_advisor_cabinet_office_plenary_11, downloaded 18

Such problems are notorious in the public sector. But they are just as common in the private sector[183], for the three main differences between the sectors are not in fact material:

- Public services usually have to be given to everyone no matter how complex their needs, which means they need much more complicated systems than do businesses, which can pick and choose their customers.
- Public organisations are generally bigger, so their project failures are more spectacular.
- And public organisations are openly accountable, so their project failures are out on display for the political opposition to savage, while the private sector, where fewer have an interest in washing dirty linen in public, can usually hush them up[184].

Why bang on about project management when our concern is with organisational change? Because the two are, in fact, very closely linked. Most big projects can't be implemented without organisational change. And all organisational change is itself, in effect, a project: it involves moving from one pretty clearly-defined state to another; it requires planning, monitoring and management; and it demands both careful thought at each stage about the consequences and how they should be encouraged or warded off, and also astute improvisation when they are not as anticipated. For change involves the unexpected, and no plan of operations survives contact with the enemy.

January 2011. See also Budzier A and Flyvbjerg B, 2011, *Double Whammy – How ICT Projects are Fooled by Randomness and Screwed by Political Intent*, Saïd Business School working papers, University of Oxford, which looks at 1,471 ICT projects and stresses the part played by optimism bias and by rare but high-impact ("black swan") events.

[183] Budzier A and Flyvbjerg B, 2011 (*op. cit.*), page 4.

[184] A study in 2001 found that only 13% of all Government IT projects, and less than 1% of IT development projects, were successful (Taylor A, 2001, "IT projects sink or swim", *British Computer Society Review*).

The opportunity for a scientific, evidence-based approach to organisational change is unfortunately limited. Change involves action in such complex systems, many reaching into the world outside the organisation where management's writ does not run, that there are few elements of it where robust and transferable conclusions can be reached. There are nevertheless some areas which can be effectively researched, and there is a wealth of useful experience to draw on.

Models of change

There are many models of organisational change: Kurt Lewin's was the earliest popular model, though it is little more than schematic, and more recent favourites are the McKinsey 7S model, Kotter's 8 Step model, and the Burke-Litwin model. These have many common features. They all include:

- management commitment;
- espousing a vision;
- resourcing;
- planning;
- communication; and
- follow-through.

None of these models is "right", though all are reasonable guides, to be either followed meticulously or at least borne in mind as you pick your way through the minefields of reality. What is important is to take all the components seriously: for example, "communication" may sound a bit routine, but it is a real challenge to make sure that the right things about a planned change are effectively communicated to everyone involved, including people outside the organisation; that their views are taken fully on board, and that this is credibly demonstrated; that communication is not just done and then the next thing turned to, but kept on managers' agenda daily as plans move through various iterations and are adjusted for events.

Systems theory can be especially helpful in handling change. Put very crudely, this is a posh term for thinking things through thoroughly: it makes one look further ahead and consider consequences at several removes.

Systems thinking

Systems theory was first generalised in 1950 by an Austrian called Bertalanffy[185]. Striding forward from a number of ideas then current, he saw that one might take the idea of closed systems in the physical sciences (such as electrical or engineering systems), and apply it much more generally to systems in the biological and social sciences – systems which were self-regulating and open to a changing environment. The systems thinking which is useful in organisations has to do with what are called "complex adaptive systems": "complex" because they look at something which is made up of a number of component systems, each of which is itself self-regulating; and "adaptive" because changes in their environment affect the systems in question, and make them respond in some way (for example to restore their balance, or to reject the change).

Systems thinking encourages one to take into account how various organisational, social and other systems inside and outside an organisation will react to change, and to think out how all the various consequences will work through until stability returns. It tends to involve getting the views of a wider range of stakeholders, looking at problems from a variety of perspectives, trying out different ways of framing problems to find the most useful, expanding their boundaries until the constraints which make them difficult become opportunities for change.

It often feels a bit like psychotherapy, in the sense that the difficulty which seemed so obvious when you started to look at it later almost disappears, as you realise that it was

[185] von Bertalanffy, K L, 1950, *An Outline of General System Theory*, British Journal for the Philosophy of Science 1, p. 139-164.

really hiding a much more fundamental problem. Indeed, the parallel pioneers of systems thinking in Britain, at the Tavistock Institute, who called it "sociotechnical systems theory", came at the problem from an explicitly psychotherapeutic direction[186].

In practice, key results of this will be much greater attention to the constraints and incentives affecting different stakeholders, and also, more generally, to communication, including listening harder to various groups and interests, so as to anticipate and influence responses to interventions. A good example of a systems approach is in a 2002 paper on the NHS by the think-tank DEMOS[187].

Peter Senge, an authoritative adept of systems thinking as a way of addressing organisational changes, has argued that the systems approach is a necessary condition, but not a sufficient one, for successful change in a complex organisation. Also important is leadership vision, which has inspired organizations for thousands of years, can win assent to a shared picture of the future, encourages experimentation and innovation, and above all can foster a helpful sense of the long-term, the reassuring place where the change has already happened[188]. And it is to leadership that we now turn.

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[186] Although there were many other influences as well, including Kurt Lewin: Jaques E, 1951, *The Changing Culture of a Factory*, Tavistock, &c.
[187] Chapman J, 2002, *System Failure*, Demos, London.
[188] Senge P M, 1990, *The Fifth Discipline: the art and practice of the learning organisation*, Random House, London, pp 9-12.