

## Practising what you preach: conformity in the creative industries

How many meetings have you been to where you sit thinking 'this will never work', 'customers are never going to buy this' or 'this is just a load of rubbish'? It happens in companies all over the world. People sit in meetings outwardly accepting what is being said but inwardly disagreeing with it. This sort of behaviour is not a sign of a company whose prime concern is its customers. It's a sign of a company whose staff's main concern is keeping their boss happy.

This is only one malaise that afflicts intelligent and sensible people in all industries. Those engaged in marketing and brand communication are no exception. They may fly the flag for their clients with talk of authentic communication and brand integrity, but back in the office it is often a different story. Look behind the minimalist décor and innovative work that is produced within their walls and you are just as likely to find a highly traditional organisation as if you visited a government department. The creative public face gives way to a highly conformist, often dysfunctional, private one. Organisations are still populated by more conformers than challengers.

Russ Ackoff is a Wharton Emeritus professor and one of the world's top management thinkers. He has more experience of the 20<sup>th</sup> and 21<sup>st</sup> centuries' organisations than most. When Triarchy Press commissioned me to respond to his management f/laws – the tough truths about working life that we often choose to deny or ignore – I was convinced that my outlook would be very different from his. He is an octogenarian American professor, I am a female, British and some 40 years his junior. But surprisingly we had a remarkably similar take.

The following excerpts are part of what became quite a feisty dialogue between us. Our argument is that some common practices that go unchallenged are actually deeply flawed. Practices like the use of focus groups. We raise some questions too that those who are running the ad agencies and marketing companies would do well to consider. Like just how useful is forecasting?

Russ F/Law There is no point in asking consumers - who do not know what they want - to say what they want.

Many new product and service introductions have been disastrous despite the extensive surveys conducted to show that there is consumer interest in, and intention to buy, such a product or service. These surveys have incorrectly assumed that most consumers know what they want.

Consumers can discover what they want in products and services by designing them. It is in design that people find what they want. Furthermore, consumer involvement in product/service design almost always gets creative results.

An example. A group of men designing their ideal men's store discovered that they did not want the lowest price for clothing of a specified quality but the highest quality for a specified price. (They decided how much they were going to spend before going shopping.) Second, they wanted clothing arranged by size rather than type so they could go to one part of a store where all types of clothing in their size were gathered. (Because they disliked shopping, they waited until they wanted to buy several things before they went shopping.) Third, they wanted saleswomen, not salesmen, because they said 'You can't trust a man's opinion of how you look'. Finally, they wanted sales personnel to be available only when asked for.

Sally response It's astonishing that focus groups are still the method most organisations use to determine what consumers want.

Sally Bibb 10 January 2007

We know the problems:

- Participants want to impress the people running the group, or to be liked by them
- People's private intentions (never mind their publicly stated ones) seldom match the reality of their behaviour
- Sometimes we lie to ourselves
- We don't know ourselves as well as we think we do

The best organisations are starting to use customers in more and more creative ways - including asking them to design their products. Software companies have been using their best customers to beta-test products for years. Some organisations employ customers on part-time or short-term contracts. The best organisations go further and employ their most vociferous critics.

Russ's F/Law The future is better dealt with using assumptions than forecasts.

Forecasts are about probabilities; assumptions are about possibilities. We carry a spare tire in our cars not because we forecast we will have a puncture on our next trip but because we assume a flat tire is possible. We plan for serious contingencies – floods, hurricanes, illness – however unlikely they may be.

Carrying a spare tire cannot prevent our having a flat tire but it can reduce its undesirable effect; for example, being stranded on a remote highway at night in the rain.

Of course there are futures that cannot be anticipated. These can't be planned for but they can best be met by flexible organizations, ones that can quickly detect the need to change, and are ready, willing and able to do so. For example, the driver of an automobile cannot predict all the conditions he or she will meet on the road but his or her ability to respond quickly and effectively removes the need to do so.

There is nothing that reduces the need to anticipate the future as much as the ability to respond rapidly and effectively to whatever it turns out to be.

The thermostat that controls the heating-cooling system in a building does not have to predict future weather in order to control it.

Sally response Yes. The key to dealing with the future is to be flexible and willing to learn. Those with most flexibility are the most adaptable. They have the skills to be able to do something different when what they are doing is not working or when they need to respond to changing circumstances. They are willing to accept that the future may turn out differently from how they anticipated and they relish that possibility instead of fighting against it

Those with a high need for control do not do well with changing futures. It makes them feel insecure and they hang on tightly to what they know while closing their eyes to the emerging reality around them. No good being in control of the thermostat if the oil has run out. The worrying thing is that most senior managers have a high need for control. They don't like to admit that they may have been wrong, that they may have made incorrect assumptions about the future. So the very people who are usually in charge of creating the futures of corporations are probably the least skilled to do the job.

Russ's F/Law The level of conformity in an organization is in inverse proportion to its creative ability.

It is difficult, if not impossible, to regiment a creative mind. It tends to violate conventions and traditions without thinking about it. Such violations are means to an end not an end in itself.

A creative person, unlike a drudge, cannot turn himself or herself off and on easily. Organizations that value creativity must develop tolerance for unconventional behavior. They should realize that such behavior is not a form of protest but a requirement for effective work.

An organization that cannot accommodate nonconformity will not be able to retain creative people.

Sally's response This is so obvious yet organisations, when they are trying to become more innovative, attempt to do so within the confines of their conformist culture. Creativity flourishes in environments that are the antithesis of most corporate environments. That is exactly why some companies set up innovation labs separately from the main organisation.

We don't tend to think of creativity as something that's necessary for anything other than the true creative industries such as advertising. But actually all companies these days need their employees to be creative in the way they do their job. Creativity is not just about coming up with big ideas, it's about being able to think about new ways of doing things or new things to do. Everyone can be creative in small ways that can have a positive impact. But they have to know that they are allowed to, that the organisation they work for truly encourages that. What's more, they have to be confident that their company will tolerate mistakes because inevitably, when trying new and different ways of doing things, some will work and some will not.

Russ's F/law The less managers understand their business, the more variables they require to explain it.

$E = mc^2$  (the special theory of relativity) contains only one independent variable,  $m$ , and explains what may well be the most complicated phenomena understood by scientists. Then why does it take thirty-five variables to understand why people select the retail store or the cereal they use? The answer is apparent: these phenomena are *not* understood. The less something is understood, the more variables are required to provide an alleged explanation of it.

Understanding provides managers with a way of determining the relevance of information. This is why managers who do not understand what is happening want all the information about it that they can get. Not knowing what information is relevant, they fear omitting anything that might be. Consequently, they suffer much more from an oversupply of irrelevant information than from a shortage of relevant information.

Sally's response And what's more, they feel the need to create a huge amount of quantifiable evidence to back them up in *case they make the wrong decision* and get blamed for it.

We're back to insecure managers. There is no way that they will take risks, make decisions based on intuition or go with their gut. No, they need hard, scientific evidence. Even when it's clearly not scientific, as long as it has that appearance it's good enough.

Russ's F/Law The offence taken by an organization from negative press is directly proportional to its truthfulness.

Nothing can offend an organization more than the truth about itself. It is easy for it to defend itself against lies but very difficult to do so against truths. This is why so many organizations would rather settle suits out of court; doing so conceals truths. The rationalizations given seldom reflect this fact.

What organizations seek from others, including the press, is reinforcement of the delusions they have about themselves. They never see themselves as others do, nor do they see others as they do. The result is an equitable distribution of distortion.

Sally's response In this respect, organisations are no different from people. We all know people who don't like to hear the truth about themselves.

But more frightening than the fact that organisations get it wrong sometimes is the fact that they are allowed to settle out of court. In many cases, doing this is effectively an admission of guilt, but as you say, often they're not held to account for it.

However, if it's reported, settling out of court exposes the fact that the company has done something wrong and is being made to pay. And that is, I suppose, one way of being called to account. But it doesn't go to the level that it should do which is to make sure that the offence cannot be committed again. At worst it's a way of paying people off. That's why the PR industry is so big and why people trust organisations so little.

Most managers in the creative industries don't give too much thought to why they do what they do and how effective their practices are. This seems ironic when creative companies are busy designing innovative marketing campaigns, inventing aspirational brands and creating new products. One can only assume that, when it comes to running the business, they switch off their creativity, stop challenging old ways of doing things and just go along with the old conventions of management.

In other industries some have decided that the old way is not the best and have and run their companies very differently. Two examples are WL Gore, a big, long-established American company, and innocent drinks, a small, more recently established British firm. Executives from these companies are in huge demand on the speaker circuit. Innocent drinks have even been invited to go and share some of their secrets with Mr Blair! Presumably this means that others think that there is something to learn from these people who have challenged the prevailing 'wisdom'.

What about you? Have you had enough of the old ways? Are you a conformist or a challenger? Chances are your company and clients would benefit more from the latter.

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Management F/Laws: How organisations *really* work. Russ Ackoff, Herb Addison and Sally Bibb. Triarchy Press. January 2007.

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