

Lasting Change

How it happens

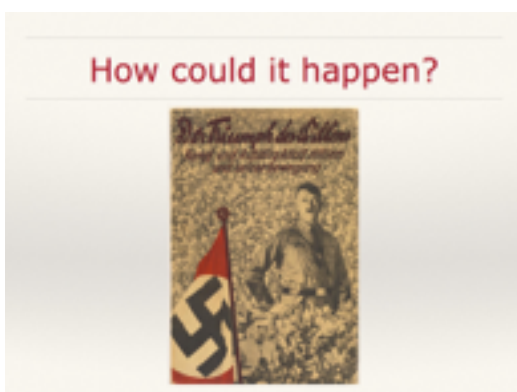
Four years ago, hopes were high that democracy was dawning in the Arab world. First in Tunisia, then Egypt and Libya, corrupt, authoritarian regimes collapsed. But in Egypt the army soon took over again, and in Libya, Syria and Iraq terrible civil wars are still raging. Only in Tunisia have things got better.

Most revolts, most crises leave little lasting mark. What does it take to bring about fundamental change? Why do so many things go from bad to worse, while a few get better and better? These are the questions I've been considering for the last four years, examining how some very big, very different changes came about, from the Italian Renaissance to the Holocaust, and how Apple became the most valuable company in the world.

Do great leaders like Steve Jobs make change happen? Or is that something we can all do, with enough vision and determination? Some people believe everything important's determined by uncontrollable technological and socio-economic forces. Others think it's all a matter of contingency and chance.

There's a grain of truth in each of these, but none of them really explain change. Even Jobs didn't do it single-handedly, let alone know what the iPod would lead to, but he certainly made a difference. Without determination we'd never achieve anything, but willpower alone is never enough. There are big tides of change we can't do much about, and few things in life go exactly according to plan. So adaptation and luck play big parts in all success and failure.

In every transformation I've examined, there was never a single explanation and nobody was in control, but the dynamics were surprisingly similar. The overall process was invariably cumulative, the consequence of thousands of actions and interactions between thousands of people, of one thing leading to another, and another, and some of them accentuating each other.



How was it possible for a man like Hitler to come to power in the land of Bach and Beethoven? He had no doubt - it was a triumph of the will. But what really made possible the previously unthinkable was the cascade of catastrophes that hit the German people between 1914 and 1933: the trauma of the first world war and totally unexpected defeat; a humiliating peace treaty that piled all the blame on them; endless paramilitary violence and the breakdown of law and order; the constant threat of communist revolution that terrified the middle classes. Then came devastating hyperinflation that made their savings worthless. And to cap it all, the Great Depression put nine million men out of work and brought near-universal despair.

Cascade of catastrophes

- Trauma of defeat
- Humiliating peace
- Paramilitary violence
- Communist threat
- Hyperinflation
- Great depression



Only in these circumstances did Hitler look like a saviour. In 1928, the Nazis won a mere 2.6% of the vote. Two years later, eighteen percent clutched at Hitler's promises, and the Nazis looked like the rising force. In 1932, their vote doubled, and they became the largest single party. Germany's downward spiral had fed their meteoric rise. Then the machinations of politicians and generals, with their own schemes for dismantling democracy, led to a terrible miscalculation. In January 1933, Hitler was appointed Chancellor, legally, in a coalition of conservatives, who thought they'd be able to control him. Within months, he'd banned all other parties, and established a brutal dictatorship. And we all know what happened next.

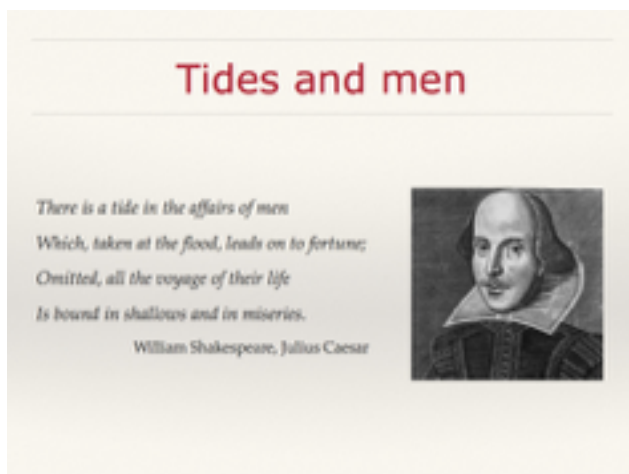
This catastrophe only came about through an extraordinary confluence of different currents. It was their combination that counted.

We experience change as a series of events, but it's really a process. Every major change contains thousands of small steps – the decisions, actions and reactions of thousands of individuals. It's never due to a single person or decision, but the coming together of several currents that start to flow in broadly the same direction. As they interact with and accentuate each other, typically over many years, they sometimes swell into an irresistible torrent. The fundamental causes vary enormously, but the dynamics are much the same.

Engineers call the dynamics that amplify and accelerate change in the physical world positive feedback loops: A produces more of B, which in turn produces more of A. Climate change offers countless examples: rises in temperature lead to the ice cap shrinking, the ocean absorbing more heat, and the temperature rising further.

Vicious and virtuous cycles are more popular expressions for how reinforcing dynamics work in human life – things getting better and better, or going from bad to worse.

Shakespeare understood these dynamics:



In war, politics or sport, if one side gains a small advantage, confidence can soar and they advance irresistibly, while their opponents' hearts sink, and panic takes hold. Hopes and fears become self-fulfilling. Catching the tide, and finding yourself on a virtuous cycle, can make all the difference between success and failure.

These dynamics play a big part in life, though it's not always obvious at the time. They drive the plot forward in all dramas, from *Romeo and Juliet* to *Breaking Bad*. When two people fall in love the attraction of one feeds that of the other in a mostly delightful, mutually-reinforcing spiral; if they later part the spiral's much sadder. We've all experienced successes or setbacks in one part of our lives - love, work, health, family - having a knock-on effect on the rest. Nothing succeeds like success and one failure easily begets others.

These dynamics only have a lasting effect when the reinforcing cycles go on, not just for weeks or months, but over years. That's how things get to be the way they are - how cultures and languages evolve and become entrenched, how we learn and make progress, how new ideas and beliefs take hold, how knowledge grows and spreads. But also how winners so often take all, and how whole societies descend into barbarism and violence.

One of the biggest changes I've seen in my lifetime has been in the status of women and their relations with men. A great deal's been written and spoken about this revolution. I'm going to concentrate on how men have changed. When I was a boy in the 1960s, men and women viewed each other almost as separate species, each with their own distinct spheres. A man wouldn't have dreamt of going to a woman doctor and very few had close female friends. I went to a single-sex school and hardly knew any girls. Now more than half my friends are women. Back then you'd never see a father nursing a baby. Now quite a few stay at home with the children, and the mother's the breadwinner. Misogyny and ignorance haven't disappeared of course, but many more of us now see each other primarily as fellow human beings.

How did that happen? There was no big turning point, no dramatic event, no inspirational leader who won hearts and minds. Nobody made it happen. Sexists didn't suddenly see the light. Only very rarely do people change their minds explicitly. But millions of men (and women) started thinking and acting differently, in tiny ways they probably weren't aware of. Women gradually became more self-confident, and men less domineering. One of the biggest factors was imitating other people. Following the crowd plays a part in all major change. Another factor was generational. The young grew up with different attitudes, different assumptions from their parents, so their children started out with a different view of what was normal, and went further. Technology played a part. Some think the washing machine's changed the world more than the Internet.

This has been a cumulative process, the consequence of millions of actions and interactions between millions of people, over many years. And it's only part of a much bigger, longer revolution. When Mary Wollstonecraft argued for equality of the sexes, in 1792, most men scoffed. But not all. In the next century, many more men came to admire the intelligence and wisdom of Jane Austen and George Elliot. Women didn't get the vote until 1918, but sixty years later a woman became prime minister.

Thatcher changed everybody's view of what was possible, what was normal. She's remembered now, not so much for being a woman, as for the lasting consequences of her policies, and the way all prime ministers since have taken her as a model. Many people were amazed when she was elected. But now we take it for granted that the most powerful politician in Europe is another woman. Angela Merkel, though, values continuity and consensus. Like the heroes of my last topic, lasting business success.

The virtuous cycles of meteoric rises like Apple's and Google's look like this. They develop capabilities competitors can't match, which lead to innovations that delight customers. They create brands that shine brighter and brighter, and sales rise higher and higher. That attracts investors, and the combination of all these with the aura of success mean that talented people queue up to join the rising star. Talent of course enhances capabilities and the cycle continues.

Capabilities depend on human capital and these businesses nourish it. They really do believe that their people are their greatest asset and cherish them. In Waitrose stores, happy, enthusiastic staff are a visible part of the brand. These firms refresh the brand and customer relationships constantly. They never take loyalty for granted. The organisation's culture and values sustain all these qualities, and invariably include genuinely caring about quality, customers, teamwork and people. Interestingly, both IBM and The Economist now have women leaders.

The most elusive attribute is adapting to change. All of these companies have had to reinvent themselves more than once. It's their enduring strengths that helped them to recover from disasters that could have destroyed them.

This virtuous circle is immensely difficult to achieve. A weakness in one attribute can quickly infect the others. Building capabilities that distinctive, creating cultures that strong, and winning customers that loyal, took all these companies decades. They maintained it because they believed in what they were doing. And it wasn't mainly about making money.

This underlines one of the lessons I draw from all this. Lasting success is about getting many things right, consistently. Small steps can make a big difference. There are no quick fixes for anything important, but always several necessary conditions, none of them sufficient on its own.

It's never just one thing.

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