

A Conversation with Charles Handy

Revealing the soul of organisations through telling stories

Charles Handy Rosie Bishop





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Summary

From "second curves" to "storytelling", and "soul" to "sparks", this paper delves into Charles Handy's most recent insights and thoughts on next generation organisations and society as a whole. In a conversation with Charles, we cover topics such as his involvement with Caplor Horizons, the soul of an organisation, the best ways for organisations to stay relevant in today's everchanging world, his advice to the younger generation, and how to reduce the effects of climate change and biodiversity loss.

Some key insights given by Charles include that all organisations need to think of themselves as "perpetual explorers", eternally curious and innovative in their approaches. This links to Charles's idea of the 'second curve'. As part of finding your second curve, you must "dream the impossible and make it practical" and in doing so you should not be afraid to make mistakes. Reflecting and learning on mistakes and creating a blame-free culture within your organisation is critical to becoming a 'learning organisation' and remaining relevant in an everchanging world.

Charles also spoke about the importance of the 'soul' of an organisation and storytelling. For him, the 'soul' of an organisation is a feeling. It is not something that you can put into words and it is hard to manufacture. It is what an organisation is all about, what drives them and why they exist. This can be manifested through stories and the people that work for the organisation.

Finally, Charles spoke about the role we can play in preventing climate change and biodiversity loss. He believes that legislation and technology will be the solution and that we have a crucial role to play in preparing and educating the public for government-led change. He also says that to get "paradigm shifts" we have to think "wildly" and then put the mechanisms in place to make it happen, linking back to his original point about "dreaming the impossible and making it practical".

We are currently facing uncertain times, in which dealing effectively with change and learning to adapt to new ways of doing things is paramount. The advice given by Charles in this paper is particularly poignant in light of this; reminding us to learn, think and act differently in order to achieve a sustainable future.

Introduction

One of the best ways to share learning and insights is through conversations. In this fast-changing and complex world that we live in, taking time to have meaningful conversations with a diverse array of individuals is becoming increasingly important.

This Ripple Paper summarises a conversation with Charles Handy, an Advisor to Caplor Horizons, that took place in early 2020. Charles has a global reputation for being one of the leading thinkers of our time and has been proactively supporting Caplor Horizons since it was established.



Charles's own words have been used to write this paper however in some places we have removed specific details. The conversation took place between lan (Williams), Rosie (Bishop) and Charles at his home in London, sat by his fire.

About Charles Handy

Charles Handy is a social philosopher, writer, broadcaster and lecturer. He regularly features among the top names in 'Thinkers50', the list of international management thinkers, and in 2011 was awarded his first Lifetime Achievement Award.

He was born and raised near Naas in Ireland and now lives in London. He has, in his career, been an oil executive with Shell, a business economist, a professor at the London Business School, the Warden of St. George's House in Windsor Castle (a study centre for social and ethical issues) and the Chairman of the Royal Society of Arts. He is also known in Britain for his Thoughts for Today on the BBC radio breakfast show 'Today'.

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Charles was the first significant international authority on

organisations and leadership, with over two million books sold around the world, mostly dealing with the future shape of work and life in our changing society. Among the ideas he has advanced are the "portfolio worker", the "second curve" and the "shamrock organisation". His books on management – including Understanding Organisations (1976) and Gods of Management (1978) – have changed the way we view

business. His work on broader issues and trends – such as The Second Curve (2015) and 21 Letters on Life and Its Challenges (2019) – has changed the way we view society.

Charles has been proactively supporting Caplor Horizons since the outset. Charles' involvement with Caplor Horizons has included facilitating sessions, providing perspectives and sharing his findings both in the UK and overseas, for example in India. Click here to watch a film about the start-up of Caplor Horizons in which Charles provides a commentary.

Charles' wife Liz, who has sadly passed away, was a renowned photographer with many books and exhibitions to her name. Charles and Liz combined their skills to produce photo-documentaries celebrating the work of various charities around the world. As part of this, they created a <u>booklet</u> about Caplor Horizons in the form of a 'still life' using symbolic objects to depict our purpose and values.

"Do the best at what you're best at for the benefit of others"

Caplor Horizons

What did you think about Caplor Horizons in its early stages?

Well, Caplor Horizons, I thought it was a wonderful idea really and I do congratulate you for discovering what you wanted to do.

Many people, either themselves or their organisations, are on the brink of what I call a second curve, rethinking their mission and how they're going to go about it. And I do think that expanding your horizons is an incredible and very important part of that.

Asking lots of people who may not know you very well to give you ideas may spark all sorts of things. I don't know who particularly sparked Caplor Horizons but the idea of people giving their time is not new. But giving their time in such an organised way to help voluntary organisations seems to be rather inspired really. It was sort of a business-like approach to non-business organisations which I liked.

From what I have seen myself about Caplor Horizons' work on the ground, it's basically about lighting a spark in an organisation. Like this fire. You know, you press a button and it suddenly fires up and I think that that's what your Caplor teams do. They suddenly get people excited so that they can be more exciting as an organisation and deliver more exciting things. And that's very exciting to be part of.

How would you describe your story of involvement with Caplor Horizons?

When we met Caplor Horizons, Elizabeth and I, we understood it was a volunteer consultancy organisation that went out to the developing world mostly to help voluntary organisations with their strategies and so on. To be honest, it did seem worthy and good, but I can't say we were very excited with the thought. Particularly my wife Elizabeth who's a photographer and fascinated by people, but not that fascinated with managerial ideas. She was a great organiser and manager, but she didn't like the words related to that. However, when we got to Caplor Horizons people were

drawing pictures and talking about what they did when she photographed them. I interviewed them a bit and we produced a booklet and it came alive.

Because in the end organisations are groups of companions – companies with a common purpose. But above all they are people, interesting people, or they wouldn't be valued. So, when we found out what their interests were and what they contributed, suddenly everything came alive. So Caplor Horizons wasn't just a name and an idea, it was a group of fascinating people. Suddenly it was always a thrill to meet some of them.

Early April 2020 marks the sixth birthday of Caplor Horizons: reflecting on the following poem by A.A. Milne, do you think this has any relevance to Caplor Horizons or any organisation reaching this milestone?

Now we are Six
When I was One, I had just begun.
When I was Two, I was nearly new
When I was Three, I was hardly Me
When I was Four, I was not much more
When I was Five, I was just alive

But now I am Six, I'm as clever as clever. So, I think I'll be six now for ever and ever

Well yes in the sense that I think all organisations when they reach this early midlife have to think of themselves as perpetual explorers. Perpetual young kids. Young people are curious and young organisations soon cease to be curious because they go up to the first curve and become successful and think that they've got it now, we've got the model. But I think that's dangerous. I mean I do actually remember when you produced your Caplor House model, I thought "hmm this is a bit dangerous". Not because it isn't good, but because it stops you from making another one.

And I say the great thing about being six forever and ever is that you're forever asking questions. Quite fundamental questions like, "why did God create the world?" or "why do we exist?" and "would we exist if we didn't exist?" and so on. So, don't lose your curiosity just because you're successful.

But it's very tempting. Both as individuals and as organisations. Very tempting once you've got through that early stage of doubt and insecurity and found that it does work. You think "ahh it's okay I've got the recipe". Well you have, but it may not be the best recipe. And so asking people questions like you're asking me is a very good discipline I think.

What 'second curves' might Caplor Horizons consider over the next three years and, in particular, what do you think might be the biggest opportunities and risks during this time?

Well I'm the wrong person to ask. You ought to ask yourselves. However, if I were to say something, I'd say that I don't think you've plumbed the possibilities within your organisation enough.

It seems to me that your project teams, I'd like to know what dreams they have. Because they know roughly what Caplor Horizons is capable of. I think dreams are very interesting things. Unless you're Martin Luther King, it's not your dream that matters, it's the dreams that come from within the organisation. And it's worth asking them "in their wildest dreams what do they think Caplor

Horizons should be doing?". My children always used to say, "dreams give wings to fools", but I actually think that's okay. I think you can be foolish, just as children are foolish.

So I'd ask them to come for another gathering and this time talk about dreams. Think as unrealistically as possible because dreams don't have to be real. "What in your wildest dreams would you like to see Caplor Horizons doing?" You have some very capable people in your organisation, but I don't think you are using their dreams and curiosity enough.

Showing success through story telling

What is the best way for organisations to measure and demonstrate their successes?

I remember once I gave a talk and John Humphreys was in the chair at this conference and afterwards he turned to every speaker and asked them questions, you know. And I wasn't worried about that because I know John quite well from my radio talks I used to do but John catches you unawares. So he turned to me after my talk and he said "well Charles, you've given advice to many organisations, how many of them have actually done anything as a result?" and I couldn't answer the question. So what I did in the end was that I answered a different question. I said that I don't advise organisations. I work with individuals who hopefully do something different as a result in the organisation. I don't keep statistics, but I can tell you some stories. And I can imagine you have lots of stories. And I think that's the most interesting way of convincing people that you've got something important to offer. You ought to have two or three stories up your sleeve to show how your intervention has actually changed things around or made things more exciting.

For example, "when we arrived everybody was rushing around, it was a very busy organisation, but it was a boxy organisation. Everyone was busy in their own box. And someone had written down for them what to do in those boxes. But they weren't talking to each other. The boxes were on paper all linked up like an organisation chart. The fact that these boxes were full of human beings seemed to have escaped their notice. And one of our great triumphs when we left was that they were singing a song and they were connected and working together. When we arrived, it was all busy but boring and when we left it was busy but joyful." Make it as personal as you can.

You do need some numbers to show that people wanted your intervention. But stories are actually the only way you can convey what it is you do. You could have lots of boring managerial words like "communication" and so on. But you need to bring it alive with a story. And simple words like a "boxy organisation" help people know what you mean, don't use managerial words. And the more personal you can make it the better. Give people a feel of what you do. And metaphors are very important. It's what Luther King and Churchill were very good at. Finding metaphors that catch people's interests.

The soul of an organisation

What do you think the soul of an organisation is all about and how can it thrive if you think it's a valid idea?

I think you know from your experience when you walk into an organisation. You sort of feel "this is a good place to be" or "this is an exciting place to be" or "this is a very dull place". I mean I always say if you want to cheer yourself up go into an English primary school in the early morning and you feel the joy and excitement and thrill of learning that's in the room. It's just a feeling actually. And so the soul of an organisation is a kind of feeling that drives you on, why you're there. In the primary school you're there for these kids.

You must feel that when you go into an organisation. I remember going into an organisation in India with Caplor Horizons and feeling that this is a very laborious organisation full of worthy people doing worthy things. It wasn't until they started talking about what they did everyday and I got to understand what drove them that it became clear that it was quite an exciting organisation. So suddenly you discovered that there was a soul there and a heart. Something that they felt was important to them.

But it's a feeling really and I don't think you can find words. People write vision statements and so on but I don't think that's it. Unless you're Martin Luther King it's very hard to find the right words to describe dreams and so on. But it's a feeling. And its captured mostly by stories. People will say "well I remember the time that we went to this Indian organisation and it wasn't until people started talking about their own experiences that it came alive".

And as I say, I think what Caplor Horizons really does, at its best, is set the spark that gets the fire going. And that's probably just by talking with people. People love to talk about what they're doing. And I'm sure one of the things you could get them to do more is that. And getting them to talk in the semi-public and they'll resonate with it or not. I thought it was very exciting that morning it really did come alive.

Another example is Jaipur Rugs, who I visited with you last year. You had to see the women weaving to understand what they're all about. They were really about two things. One was making the rugs and the other, more importantly, was about giving meaningful work to the women in the villages. You had to be there to find it. It's hard to find the right words for it. I mean to me it was so revealing I can never forget it. It's so obvious to me that they were about making these rugs with these wonderful women who were all so beautifully dressed. And I thought that there's something about organisations where the women dress up to go to work, it was very moving.

I remember, I'm sure they don't do it anymore, but Marks and Spencers used to have a tradition when the Chairman and the top management team would meet every morning for their regular routine management meeting, the first thing they did was pass around an item of clothing just to remind themselves what they were all about. They were about high-quality clothing for the middle classes. It was just this is what we're all about. And I think you need to have visible, tangible evidence of what it's all about and stories help.

I had a very interesting time in hospital. I remember lecturing the more senior nurse about the curse of efficiency. They were so keen on improving efficiency that they'd forgotten why they were here. And why they were here was to help me get better. And they seemed to have forgotten that and they were trying to make you behave like a robot and get up at a certain time and eat certain food and so on. I said the danger is of course an organisation has to be efficient, it has to work well we all know that, but there's such a thing that philosophers call a "category error". If you take what is a necessary condition and make it into your purpose you have made a category error. It's very easy to do because it's very easy to improve efficiency and to make things work better like getting rid of a few people, you can tighten up targets on certain areas, you can improve communication or shorten waiting times. It's very easy if you know where your benchmark is. But in the process, you forget why you're there. So you need people like me around to say "hey you're here for me".

Businesses have to make a profit to survive, but it probably becomes their purpose, so they lose the spark. They've made a necessary condition into a purpose. This is very dangerous and it's so easy to do. Particularly if you're a consultant. Because you see things that aren't working very well, like people not talking to one another, and you think if we can do that then we've done a great deal. Well yes you have, but you may have missed the point.

The most important person in an organisation is the receptionist. They are the first person that nearly all of the outsiders meet. So they're incredibly important. If they're friendly and welcoming and interesting then that gives a flavour of the organisation. I remember once when I was still working for the BBC they handed over the reception to Securicor. And you'd walk into the BBC and there would be people with guns on the reception desk. That gave you a funny feeling about the organisation. But when I pointed out "doesn't that matter" they said there needed to be a security force and I said "well yes but that's not the image of the BBC that you want to present to strangers is it?" So that's all about the feel, you know.

One of the first things I think you should do when your teams visit an organisation is that they should record their first impressions of the organisation and feed them back and say this is what we felt when we walked in. "This is a cold, efficient but inhuman place" or whatever. Because most of the organisations you work with are engaged in the people world so they must be welcoming. And it takes time. I mean with Caplor Horizons we eventually got the feeling that it was an exciting organisation, but it took quite a long time to dig through all the words and the managerial stuff until people started talking about their own experiences.

How organisations can stay relevant in today's fast changing world

We are living in a complex, volatile, ever changing world, what strategies or tips would you give to organisations to remain relevant in this complex world?

It's easy to say, but difficult to practice, but remaining curious. You need to be doing what other organisations are doing. Keep your eyes open all the time. And your ears open. Organisations are fascinating things; you can get ideas from all sorts of places if you think how they go about things.

I think it's very important that you become what I call a "learning organisation". By which I don't mean you have lots of courses and so on, I mean you should know how to learn from your experiences. I think that real learning is experience interpreted in tranquillity and reflected upon away from the actual experience. That's how we learn in real life. We have an experience and say we won't do that again or we could've done that better.

But in order to do that you have to have a blame free culture. For example, the American Seals have a very detailed debriefing procedure after every operation which is totally confidential and totally blame free so that they can actually say "well I made a terrible mistake there", "I fired my gun when I shouldn't have" or whatever. So you could actually say I made a mistake. But it's very difficult.

You're in a great position to do that exact sort of thing and in the process, you develop a wonderful comradeship amongst your teams. Everybody loves it when someone makes a mistake and you have this great comradeship and so on. I discovered when I became a professor and started giving talks to students that they loved it when I told them about my mistakes. They didn't want to know what I had achieved. So you develop a great comradeship and trust in the group. You have to trust them that they won't spill the beans and say "do you know what so and so told me". You create this kind of trust. And you will see this permeate the whole organisation.

In your opinion, what do you think a next generation organisation looks like?

Well, I think the word they throw around is "agile". I prefer "flexi" really. It's interesting, I was reading somewhere in the paper about "flexi-schools". Where there is a coordinating hub but basically they use all sorts of different mechanisms to get the kids learning things they ought to learn. Some are contracted out to people, some are linked up with other schools, some they create mini-schools, some they hire in experts or whatever.

But I think that new organisations can no longer do everything themselves. I mean when I first joined the Shell organisation everything had Shell on it. Shell was totally integrated. Even the people who furnished our houses were Shell employees. It's incredibly expensive of course because they all had to be paid Shell pensions and so on. But the idea was that everything would be Shell. But it worked much better when they became more flexi. I think that's what's going to happen. But the stress will be how do you hold the whole thing together? You can have all the communication systems you like, but what really holds you together is this feeling of "soul", why we're here. It's all about why we're here really. Who are we trying to help?

Advice for the next generation

What advice would you have to young people in their careers, given the challenges involved?

Dream! Think of times in your life when you were excited or felt inspired. I have this thing about everyone having a "golden seed" within them which is something they are very good at. And somebody will know what it is but probably not you. So keep asking your friends what your golden seed is, what your special skill or talent is. Go and talk to ten of your friends or colleagues that

know you well and like you and ask them to tell you one thing you're very good at and then come back and tell me what it is.

I remember doing this with an advertising executive who had just been made redundant. And he did this and came back and said, "it's very interesting Charles, they said all sorts of wonderful things about me but no one said advertising executive". So I said, "well it's time for you to move on". But look at all these things you're good at, group leadership, communication etc. Dream a little, put those things together in some other capacity. It turned out that he was also very interested in military history. So I suggested that he should set up an organisation touring battlefields and so on. Which of course he didn't do because he couldn't find a way to make money out of it. But now that he's retired that's what he does. And he's doing very well. So he did it in the end. But you need help putting it all together.

Go and tell all your young leaders to find ten friends and get them to tell you one thing about what you're good at and you'll be very surprised what it is and then try to translate what it means. You may need help with the next bit or how you put it together with something to make a career or a job.

I tell a famous story about my mother which I'll tell you again. I was born as the son of a country parson in Ireland. And I knew my parents wanted me to be like my dad and be a country parson and maybe, if I was very successful, I'd be a Bishop or something. But they never tried to influence me and anyway I didn't want to do that, I wanted to get rich and roam the world. So I joined Shell, a big international organisation that promised to make me rich and would keep me employed and send me around the world. I don't know what they thought that was. They had no idea. I think they probably thought I was going to be putting petrol into people's cars. Anyway, my first job was going to be in Singapore so they drove me to the airport and as I got out of the car my mother said "never mind dear, it'll be great material for your books". "Books?!" I said "mother, I'm an oil executive". And she said, "yes dear" but when mothers say that you know they mean "no dear". And you know so ten years later I sent her a copy of my first book. Somehow she knew, I don't know how, that I really wanted to be a writer or could be a writer. So somebody will know before you do. Somebody will tell you "actually you're just so good at understanding what people feel about you ought to be a social psychologist", who knows.

The most exciting thing about development for young people is that most of the jobs that will exist haven't been invented yet. So this is a huge area of opportunity it just needs creativity. It doesn't have to be a business, you can get paid for doing all sorts of stuff. And genes are very important. I never became a country parson but I have delivered more sermons than my father ever did and I've counselled more people than my father ever did, not in the vestry but at my breakfast table and I've written more articles than he ever did, I just never ran the services.

Climate change and biodiversity loss

Climate change and biodiversity loss is very big in the world at the moment. What are you feeling about that and what should we be doing about it?

Well, it all seems to be very simple really. It just needs governments to pluck up the courage to do something and pass laws. You know, like we won't have any internal combustion engines after 2050. But you see governments are very unhappy about taking risks because they must win the next election. So there's a huge role for people like you, and to some extent people like me, to get the public ready for new change.

Like they could actually be bold and stop smoking because there was a campaign which basically alerted the public to the dangers of smoking and so when they passed the law everybody said "that's very sensible so we know what we have to do, stop smoking".

So I think we are the sort of revolutionaries that go out and prepare people for major change in legislation because it's got to be by legislation, and technology too. But it seems to be quite easy really if you just think "what laws do we need to say". You could say no gas fires or fossil fuels and make it illegal.

I think the first thing is to make Britain car free. Nobody's allowed cars. And how do you do that. Well you make all public transport free for everybody — not just for oldies like me! And then it makes it sensible for people. But for that to happen we do need thinktanks and so on to start plugging the idea of free transport everywhere. I mean in Ireland, once, they did do that. So my parents used to go on train journeys across Ireland just for the hell of it and they loved it and it was free. I'm sure it was a good thing to do. It just needs courage by governments.

But I can understand why they're frightened. I would wish that they use this conference in Glasgow (Cop26) to dream a little about a car free world, not by persuasion but by law. Persuasion has to come first however. I mean the first duty of the Government is to educate people about the future. But they don't do it very well so it falls to people like you and me in our different ways.

For example, earlier on I was very sure that the future of unemployment was self-employment. But it took some time. I remember Andrew Marr coming to interview me. And he was on the radio and I tried to persuade him that to create employment we had to have radical change to self-employment and I came up with this idea of "portfolio careers". And at the end of it Andrew stood up and he said "I've had a very interesting talk this morning with Charles Handy who believes self-employment is the answer to unemployment. And I went to the window and saw a flock of pigs flying by, it's never going to happen." And I was furious with him. And I mean, I was right and he was wrong about it. It gradually caught on. I came up with a portfolio career as an alternative. First of all middle aged people, instead of retirement, adopted other forms of work in self-employment. And then the young people discovered it. And now of course we have the gig economy and everyone has work to do.

So, to get what you might call paradigm shifts you do have to have some wild thinking and then the mechanisms to make it happen and the words to make it happen. And that's the job for people

like me and you and your organisation. To make the impossible seem practical is really what you're about when your teams go out.

Conclusions

Lastly, is there anything we should have asked you or any last comments?

I think it some sense you ought to do more dreaming the impossible and making it practical in your overseas work and indeed your work here.

I don't see you changing the world. I think, rather like me, you have to work through other organisations and get them to change the world. And I think on their own they will know what they need to do. It seemed to be quite clear in India that they knew what they needed to do. But they didn't quite know how to do it. Well they did really, but they didn't know they knew. They had the expertise in that room, and what was needed was for you to give them the confidence, the spark, to know that they could do it and to be curious and experimental.

And that's why learning from mistakes is so important. Because you can't dream the impossible unless you're prepared to do the impossible and make a mistake and learn from it. It's very exciting. So I would encourage you to dream the impossible in all of your work to make it practical and the more mistakes the better, because that's the only way you actually learn. You learn your limits and you learn your excitement. And learning from mistakes creates comradeship and trust.

And I'm sure you have enough dreams around if you dig deep enough. You get people to be curious enough and exciting enough.

It's about finding out what the real soul of the organisation is and that's about why they exist and for what and for whom. And then having these landmark stories that you say "why Caplor Horizons?" and you say, "have you ever seen a group of African ladies dancing because of their organisation, well I have and it's exciting".

I do remember in Malawi too these women in this village, I remember watching this case study under the trees and it was lovely and at the end of it, to celebrate their learning, they danced and sang a song, it was sweet. And you thought if everybody within an organisation can dance after a session that would be wonderful. What is it that these people have that we don't have back in England? I mean if you start telling those stories and can produce a photograph people will get excited.

But I like the metaphor of setting the fire alight. Because I do think that's what you do even if it's not what you say you do. You talk about planning and strategy and all this kind of stuff, but I don't think that's as exciting as getting people excited about what they do. And singing about it, that's great.



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Caplor Horizons – Background

Established in 2014, Caplor Horizons is an independent charity. We work with other charities and responsible businesses and now have over 50 Advisors. These are outstanding people that bring specialist knowledge and experience. They contribute their time on a voluntary basis, or at reduced rates, so that Caplor Horizons can provide high quality and distinctive services at an accessible cost.

Working locally, nationally and internationally, we help other organisations think differently about themselves and the new horizons that they face. We support them in strengthening their leadership, renewing their strategy and improving their influence.

We want to encourage and assist a new generation of organisations that are committed to making a positive and lasting impact. We believe that if we are to achieve real, sustainable change, we need to inspire and enable people to learn differently, think differently and act differently.

Our vision is: A world where leaders deliver a sustainable future for all

Our purpose is: To be courageous, compassionate and creative in facilitating transformational change

Our values are:

- Courage We are courageous change makers committed to challenging assumptions, taking risks and having difficult conversations
- Compassion We are open, understanding and heartfelt, encouraging the nourishment of our whole selves and others
- Creativity We learn, think and act differently, and are innovative and resilient in an ever-changing world

Our beliefs are:

- Through diversity we ignite dynamic innovation
- Collaboration helps achieve greater impact
- Everyone matters
- We are all leaders in our individual and collective ways
 we are all change makers!
- Learning is more effective if it is fun, engaging and creative
- Building on people's strengths creates greater resilience

Our strategic goals:

- Goal 1: Transforming Leadership
- Goal 2: Strengthening Resilience
- Goal 3: Increasing Collaboration

Learning differently
Thinking differently
Acting differently

