

# Passion, freedom and results at Halfords

Transforming its brand was only the beginning for Halfords. Caryn Vanstone of Ashridge Consulting and John Pedley of Halfords examine how real change has to run much deeper to let loose passion, freedom and results.



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In 1892 FW Rushbrooke opened a hardware store in Charlotte Street, Birmingham. Today, the company, Halfords, is the UK's largest retailer of car parts, cycles and associated leisure products – with 402 outlets and around 9,000 people.

In 2000, under Boots Group ownership, Halfords undertook a major change in its brand image and retail concept. Large, grey stores with a mixture of bikes and car parts were revamped with more modern looking orange and black insignia and a store design based on the move towards mall shopping in the UK. The new format was instantly successful – sales increased by over 20 per cent upon reopening.

Overseeing these changes Rod Scribbins, the new managing director, also brought a fresh leadership style. New practices, such as casual wear, open plan offices (including those of directors) and flexible working, were introduced. But, despite these management initiatives, the ghosts of the old command and control management style continued to wander the corridors – particularly in head office. There was a sense of disempowerment and low motivation. While top management were overloaded, at other levels people felt blocked or ill-equipped to take responsibility for their decisions.

There were significant industrial relations problems in the distribution warehouse with a near strike over pay negotiations and an atmosphere of passive resistance. In addition, the

legacy IT systems underpinning supply chain and information management were stretched beyond their limit. The daunting prospect of replacing these with a new fully integrated information management solution loomed.

In Halfords, as in many organisations, management development was widely available – but it was found that much of this learning was being actively or passively avoided. The deficit model of gap analysis that dominated assessment for development was perceived as a threat rather than a benefit. Errors were being submerged or spun and the board were in the not unusual position of hearing only the things that others perceived they wanted to hear.

The culture needed to change. Instinctively, the board members knew that a superficial campaign would not work. They needed to work at the levels of conversation and stories – the things that actually make and remake the working culture every day.

## The approach and philosophy

John Pedley (Halfords' people development manager and coach to the executive team) attended a three-day workshop on Appreciative Inquiry at Ashridge in October 2000, where he met myself and Robert Dickson of Ashridge Consulting (ACL). From this point the ACL consultants and

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John worked to shape a radical intervention.

The first step was for the board to spend some time articulating what lay, for them, at the heart of Halfords – through storytelling and sharing experiences of Halfords at its best. This is different to the conversations that normally happen in boardrooms. John Pedley recalls that it took all of his own personal credibility to earn the trust of board members to work this way. Through this process, a strategic intent began to form (see Figure 1) – and in particular a values-based vision through which to engage in new conversations with people.

which they could experience their own power and participation in moving the company towards its strategic intent. ACL consultants joined with internal OD and HRD consultants from Halfords to form a team – a learning partnership of shared responsibility, design and delivery.

The objectives of the partnership were to:

- bring the vision to life without over selling it. This meant that instead of communicating the values, people needed to experience a process which was: surprising and exciting; passionate, allowing them to demonstrate their passions; based on freedom (and accountability) of choice; and organised to allow people to work with it in a relaxed, unstressed way.

- increase awareness that business success comes from collaboration and shared endeavour. This meant improving listening and dialogue skills at all levels.

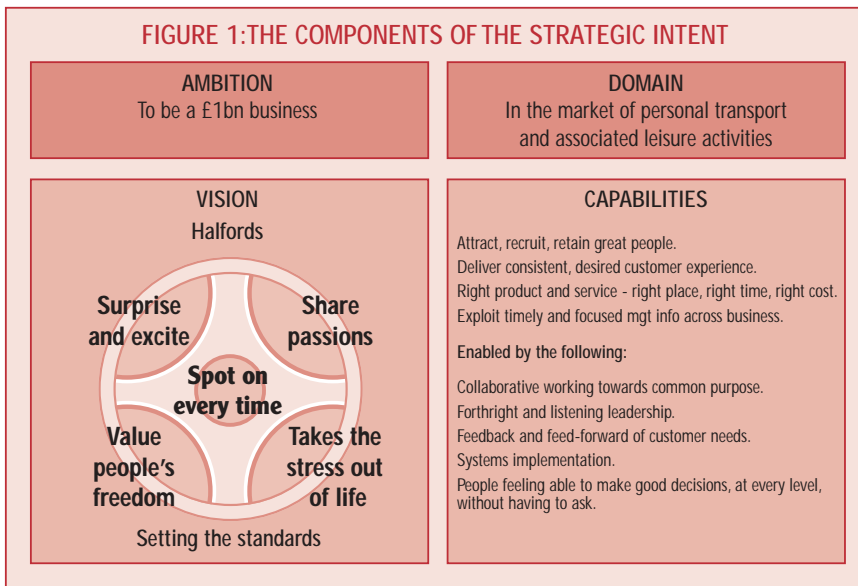
- nourish and embed behaviours which had enabled success – and through this, prepare the company to face the challenges of new systems integration and further growth.

- enliven informal spontaneity (freedom, unbidden creativity, instinctiveness), cross-functional working, innovation and action – without management direction or control.

- enable people to make good decisions, at all levels, without having to ask.

To achieve these objectives, leaders needed to confront directly their own attachment to notions of control, certainty, anxiety and collaboration. The combination of support and challenge would be shared between the internal and external consultants to keep this alive as managers and employees alike learnt how to handle complex situations and take decisions collaboratively.

FIGURE 1: THE COMPONENTS OF THE STRATEGIC INTENT



Once articulated, it was a critically important realisation that the values represented in the vision should not be explained in detail, or imposed onto others – despite the enormous desire to do so. This would have reinforced the image of management having the answers rather than acting as the stimulus for new conversations and meaning, for which it was intended.

But how then do you engage people in a genuine conversation about freedom, passion, accountability, culture and performance? How do you behave, as leaders, when you are exploring ideas with others, rather than advocating your vision?

The answer was to bring people together at all levels in the organisation in a process through

The design blended a number of new areas of thinking about organisations into a groundbreaking approach to liberate talent, energy and leadership. The informing approaches were:

**Appreciative inquiry and social construction thinking.** “Appreciative inquiry seeks out the best of what is, to help ignite the collective imagination of what might be” says David Cooperrider, one of the originators of the concept. “The aim is to generate new knowledge which expands the realm of the possible. It helps members of an organisation envision a collectively desired future and to carry forth that vision in ways which successfully translate images of possibility and intentions into reality, and belief into practice.”

**The concept of organisations as complex processes,** interactions and relationships, instead of machines to be engineered or controlled – least of all driven by one person at the top. We were working with the idea that **conversing is organising.**

Patricia Shaw, co-founder of the Complexity and Management Centre at Hertfordshire University, describes this way of seeing culture and change. Dominant theories talk of “organisation as something that has an existence separate from our own activity, even though we are uneasily aware that it is not so... [we see] conversation as a process of communicative action which has the intrinsic capacity to pattern itself. No single individual or group has control over the forms that emerge, yet between us we are continuously shaping and being shaped by those forms from within the flow of our responsive relating.”

From this perspective, organisational culture is the stories we tell about it and ourselves and that, as a result, you can change the culture by encouraging new stories and conversations.

**A philosophical stance which views freedom as the essence of motivation and creativity** – rather than a problem to be managed and controlled.

Peter Block and Peter Koestenbaum have recently offered new challenges to the world of organisational leadership from this perspective. The dominant organisational thinking is “that people want to escape from being accountable... We have to hold people accountable, and we devise reward and punishment schemes to do this... [This creates] a breeding ground for entitlement. When others try to hold me accountable, I double my efforts to claim what is mine and to be given special treatment.”

By deciding that the job of leadership is to **support freedom**, rather than control behaviour or engineer results – we begin to care more appropriately about the motivation, experience and performance of those we work with, rather than act as if we are their parents, or even worse their owners. What if we thought of human motivation as an **individual decision** rather than an environmental condition created by management? What if we acted as if leadership in organisations was **abundant** – not a rare and particular quality of the few at the top?

Bringing to life new conversations – and hence new cultural patterns – was facilitated through a mixture of large group gatherings and informal conversations (inquiry and storytelling) in the workplace. Figure 2 on the following page describes the overall process.

The power of the interventions was achieved through the thoughtful development of a relationship of equals between consultancy and client team. The competence of the facilitation team was enabled on both sides of the partnership through a well planned process of development prior to the main events, with co-design, complete transparency and shared responsibility between the ACL consultants and the Halfords internal facilitators. Halfords valued the way that ACL *live*



John Pedley is people development manager at Halfords.



FIGURE 2: HOW THE



the values and concepts that they talk about – not only in the way they work with clients, but inside the consulting organisation itself.

Working in this way is anything but soft, or easy. There are real moments of truth – and it is at these moments that you find out what your partnership is made of. At one point, when large groups were working together to articulate some of their projects and dreams for the future, they found it tough. There was a complete mix of people – warehouse pickers working with office staff, store managers and executives. There was a realisation in the room of having to do something complex together without anyone up-front telling them what the answer was going to be. Many people looked to the person in the room with the most authority to solve it. People in powerful or caring positions really felt this pressure, and desperately wanted to react to it. It is at this time that a really competent and grounded group of facilitators is vital. When it was most needed, the leadership at Halfords proved to be remarkably self-aware and courageous.

### The results

The main aim of the process was to equip a wide range of people with both the energy and the skills to start to engage differently in everything that

they did. 120 people left the final event with very personal commitments and excitements for how they were going to make a difference, 1,000 people had experienced a new way of working together. In this way, the project was no longer an initiative and did not rely on further, formal events to keep it alive.

The mobilisation of energy has been remarkable. Even in a distributed organisation of 9,000 people there is already evidence of significant culture change in the direction of the vision and capabilities articulated in the strategic intent (see Figure 1).

Some of the many measures of success are:

Individuals have spontaneously applied their learning to the ongoing reformatting of stores. These are now being done at half the cost of the original ones, faster and with fewer problems. The project manager attributes £150K of current savings on reformatting costs directly to the application of this thinking. This means that many smaller stores (for which the cost/benefit case for change could not be made) can now be reformatted to the arcade style with significant improvements in sales.

Pan-hierarchy, cross functional groups self-organised at various stages of the process, particularly in the large group events. These

## PROCESS UNFOLDED



groups continue to meet today to deliver changes in formal and informal working systems without management direction. Already, they are delivering a new form of inter-departmental co-operation replacing the culture of referring upwards that previously typified problem resolution. One of these groups has spontaneously restarted the 1:1 inquiry interviews, involving the original 120 event participants in picking up new conversations.

Dramatic changes in the warehouse include the elimination of a much disliked buzzer system used by managers to control breaks – on the initiative of the pickers and supervisors themselves. Each person now takes responsibility to make sure that trucks are loaded on time. Industrial relations have improved, allowing warehouse staff to start collaborating on improving systems and processes for mutual benefit.

People are now increasingly bringing forward new ideas, trying things out and making decisions. New leadership is beginning to shine at all levels.

Internal communication systems (such as *The Voice* – the anonymous intranet chatroom,

and *Halfords News* – the internal newspaper) are increasingly seeing the previously dominant stories of problems and issues being replaced with new stories of success and growth. This is creating a ‘virtuous circle’ of positive stories and experiences of success.

Appreciative processes now inform the recruitment process, and the stories about what leads to a great employee experience are offered directly to prospective candidates. It is becoming easier to attract top quality recruits. At the start of the process, one of Halfords’ key people had decided to leave. As a result of his participation in this process he decided to recommit himself to the company.

Halfords sales grew by four per cent in the year 2001-02 with profits up 30 per cent at £49.2m.

In August 2002, Boots Group sold Halfords to concentrate on their core business. It was purchased by the Venture Capitalist Group CVC which is committed to continue with the current management approach which is delivering such significant results and which, as one writer concluded, “has not only made a difference in work, it has dramatically impacted on the quality of people’s lives”.

### FURTHER READING

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- Koestenbaum, Peter and Block, Peter. (2001). *Freedom and Accountability at Work*, Jossey Bass/Pfeiffer.