# Influencing Change at the Bank of England

## A Brief History

The Bank of England (at the time of writing) is 329 years old and has many long-standing traditions and a very particular culture. It can be thought of as one institution with numerous, distinct, and independent divisions. An area central to all divisions is Technology which supports the entire Bank and was historically the source for all in-house software development as part of the “Delivery” function.

I joined the Bank in 2013 as a software developer and quickly identified a pattern in employment. Those I worked with were, generally speaking, in one of two camps; those that had been at the Bank for more than 10 years, and those that had been at the Bank less than 1 year. The senior developer I worked directly with had been with the Bank for 11 years, while my line manager had been there for 16 years, and both had consistently been promoted into more senior roles over time. The junior staff were mainly new recruits that had come from other private sector companies.

Reflecting on the leadership structure of the team, I feel there was a culture of promoting people as a reward for long service rather than ability. The role models I had were very insular, almost institutionalised. They have grown from a school-leaver at the age of 16 to members of the senior leadership without any formal training. I feel to call them “accidental leaders” would be inaccurate and think of them more as “circumstantial leaders”; those who were in the right place at the right time. Unfortunately, these promotions rarely came with coaching or mentoring, and this is supported by CMI’s CMIAction report (CMI, 2023, p.6) which states, “82% of managers who enter management positions have not had any formal management or leadership training”.

Working in this environment, I too fell into the behaviours and culture. As someone with a technical background there were no career paths that would allow me to progress without becoming a people manager. I increased my responsibilities by becoming a Subject Matter Expert (SME) in Software Development Practices, and a Technical Team Leader without any training and only those around me to learn from. There was no explicit support for new leaders, and those I looked to as mentors and coaches did not have the skills needed to be effective. This led me to adopt the same behaviours; strictly focusing on my local area, thinking tactically, having a small and compact network, and using authority to lead.

As a SME my role included the implementation several processes and tools to greater enable my software development colleagues. I had identified issues with the support given to the development community and formulated a solution in isolation. Without explicit backing from management, my efforts to implement the changes through custom built training and community activities were all done "side of desk", and although feedback from the developer community was positive, the lack of support and collaboration resulted in a failure of several initiatives. I was known to other developers, but often felt the lack of influence which made people ask, “why should anyone be led by you?”. With a lack of “reward” or “legitimate” forms of power, I relied on “referent” and “expert” forms of influence (Wihler, 2023). I failed to appreciate the characteristics required to be a leader, and I focused on popularity over respect. However, this drives procrastination, and creates a passive-defensive culture resulting in being slow to take decisions (Moore, 2018).

Bill Joiner's white paper "Leadership Agility: From Expert to Catalyst" (Joiner, 2013) describes levels of leadership agility; pre-expert, expert, achiever, and catalyst. Upon reflection, I fell squarely into the "expert" category. Phrases like "tactical, problem-solving orientation", "[conversation] style is either to strongly assert opinions or hold back to accommodate others", "Too caught up in the details of own work to lead in a strategic manner", and "organizational initiatives focus primarily on incremental improvements inside unit boundaries" all felt applicable to my leadership style. My inability to undertake initiatives that were strategic, to understand stakeholder goals, or seek feedback from others limited my effectiveness as a leader.

This lack of support and empowerment led me to question my role within the Bank of England and ultimately led me move from one department, Delivery, to another, Cyber Security, both within the Technology division.

The Cyber Security department is comparatively “young” having only existed within the Bank for 9 years, and to create the department a range of new skills were required that did not exist within the Bank. These skills came from a series of new hires, the majority of which came from external sources and provided an injection of diversity and new behaviours. This diversity of thinking influenced the style of leadership and in turn the culture of the local work environment.

A diverse and inclusive culture supported by clearly communicated values and goals provided an increased level of psychological safety and the development of a shared social identity. This shared social identity was used to form the basis of influential and creative leadership team (Reicher, Haslam, & Platow, 2007).

I joined the Cyber Security division with limited functional skills, but strong emotional intelligence skills. This led me to undertake training and exams to gain certifications, however, upon reflection this was a result of me suffering from impostor syndrome. In a room of my peers, I withdrew and didn’t feel confident in speaking up, but passing the exams allowed me to invest in my “expert” power for influence.

## Same Objective, Different Challenge

After several successful years in Cyber, I now find myself with the task to revisit the Bank’s capabilities within the software development area. The objective is to increase security by reducing risk through effective people, processes, and technology. In my previous role I had power, but no support. Now I have support but no power. This lack of power is due to the boundary between me in Cyber Security and the Bank’s Delivery function. How do I implement changes in cultural behaviour, work processes, and the Bank’s use of tooling without direct power?

Historically I utilised “drive-by conversations”; casual discussions and spontaneous meetings created by “accidentally” walking by a colleague’s desk, that could spark innovative ideas in unexpected ways or allow for favours to be exchanged. These interactions allowed me to maintain my closed network which was characterised by bonding, increased groupthink, and decreased influence (Tasselli, 2023). Unfortunately, with the requirement to work remotely due to the COVID pandemic these connections began to break as interactions required energy that was being utilised to stay resilient in other areas of life. My network contracted, becoming more closed, and as time progressed without talking to my former workmates it became more difficult to start a conversation that wasn’t seen an obvious attempt to gain something.

The challenge to change our culture is now greater than it was before due to the decentralisation of software development capabilities. Approximately 200 members of staff work in the software engineering department and have knowledge of best practices and tools. However, an additional six hundred members of staff outside of the Technology division can now be innovative through the ability to write software that supports their local function. These other “developers” have no software engineering experience, no oversight, and are generally unaware of the potential security issues they may be introducing.

My vision is: **to minimise the risk created by the Bank’s software development by increasing security through the enablement of people, processes, and technologies**.

The challenge is the creation of objectives, the strategy to achieve them, and the collaboration of efforts to implement the necessary change. The changes will be major, and aim alter the culture of software development within the Bank for every member of staff who creates code. Currently standards, policies, and guidelines are ad hoc and suffer from a lack of maintenance. Staff are not encouraged to engage with the documentation and there is no accountability due to the lack of compliance reporting.

I have observed that this lack of accountability is shown by some individuals displaying “all care” but accepting no responsibility (Moore, 2019). They desire change but are either unable or unwilling to drive the activities needed. The vast majority are happy for change to “happen to them” and will accept new processes and technologies if they do not appear too disruptive. Others actively resist change as they are content with the status quo and don’t see the need for change.

## Plan for Success

Large organisation change does not happen by accident and needs to be championed, supported, and driven. Change needs support from all levels, however “a leader doesn't necessarily have to be at the top of the organisation” (Correia, 2023, p.5). Often, due to failures in communication between levels of authority within an organisation, leaders of change cannot reside at the top and it is the “doers” that see where change is needed and the impact it will have. This is an important factor; change must be seen to have positive effects and bring value, if not, support will be minimal and resistance will be overwhelming. Beckhard and Harris’ “change equation” gives us some guidance to help us limit the resistance and achieve change:

D x V x S >R

D (dissatisfaction with the current situation) x V (vision) x S (first steps towards the vision) must be greater than R (resistance to change) if the change is going to work. (Beckhard & Harris, 1987).

For the challenge I am facing the dissatisfaction has been expressed from leaders at multiple levels of the organisation and there is an appetite for improvement. This means that I must focus my attention on the vision, and the first steps towards the implementation of change.

Vision is a core component of leadership tenants and should reflect my values, aspirations, and purpose. This has required a lot of self-reflection to understand what values and aspirations I hold, and more importantly what my purpose is. This has impacted my earlier vision statement as I feel that it fails to be clear, concise, and inspiring. There are numerous sources of guidance available, and my research as led me to the website, WalkMe: The Change Management Blog. This blog suggested the core components of a leadership vision including clear purpose, long-term goals, alignment with stakeholders, accountability, and communication plan (WalkMe: The Change Management Blog, 2023).

### Clear Purpose

I continue to work on improving my ability for self-reflection, however, it has already had a profound impact on how I interact with others and has helped me identify the purpose of my work. I can now see that this purpose is the improvement of the Bank of England’s Cyber Security department ability to support and enable software development both within the Technology division and without, and to support the Bank’s mission to promote the good of the people of the United Kingdom by maintaining monetary and financial stability.

### Long-term goals

My long-term goal is to change the culture of software development within the Bank by enabling developers and staff to work in a security-first manner by providing the necessary training, guardrails, and tools. This goal will be supported by a strategy for achieving shorter-term, measurable objectives to allow everyone to see the pace and value of changes.

### Alignment with stakeholders

Stakeholders for this change in culture exist across the Bank and the ability to engage with them is vital to the success of any vision. Casciaro, Edmondson, & Jang explain that “Today the vast majority of innovation and business-development opportunities lie in the interfaces between functions, offices, and organisations. The core challenges of operating effectively at interfaces are simple: learning about people on the other side and relating to them.” (Casciaro, Edmondson, & Jang, 2019, p.4).

This is a core challenge and will require the rebuilding of my network by crossing boundaries and creating new, more open, connections based on mutually beneficial relationships. Within many organisations I have observed that labels are often used to re-enforce these boundaries. I think about the number of job titles there are in my organisation. Senior-this, head-of-that, chief-of-something-or-other. We work hard to achieve these labels, but they can come with a consequence of boxing us in and excluding others. Building collaboration will require crossing the five dimensions of boundaries: Vertical - Across levels and hierarchy; Horizontal - Across functions and expertise; Stakeholder - beyond your immediate area or organisation; Demographic - across diverse groups; and Geographic - regions and locality (Yip, Ernst, & Campbell, 2011, p.15). This will require me to further work on my leadership skills, especially listening without feeling the need to talk, so I will be focusing on Lt Gen Philip Trousdel’s advice, “Drink more tea” (Lt Gen Philip Trousdell, unknown).

### Accountability

Willingness to be accountable for tasks and responsibilities requires several leadership actions. As a leader I must:

* Lead by example displaying values, purpose, and accountability.
* Create an environment of psychological safety providing people with the confidence to raise issues.
* Empower others to act as they see fit given that everyone is working to successfully deliver the vision by working for the good of all.
* Set clear and realistic expectations to allow others to achieve a successful outcome.
* Communicate continuously to facilitate an open culture of questioning and challenging.

### Communication plan

I now realise that leadership is not about giving answers; it is about asking questions. Information is power and can be the key to innovation. Through conversations that are open to questions and challenges, context, emerging insights, and opportunities can be generated. “Sharing means less one-on-one communication, much more crowdsourcing and co-creation in the open, transparent space, real time.” (Frederiksen , 2022).

Once I have put the effort into building a strong, open, and diverse network, it would be sub-optimal to work in isolation.

Communication, however, must flow both in and out. Successes and opportunities for learning must be shared with a wide range of stakeholders to ensure engagement and support a culture of accountability. If we are allowed to miss agreed deadlines and deliverables, there will be lack of motivation to complete tasks as there are no consequences; something my previous efforts have suffered from repeatedly.

## First Steps

Vision is the foundation of change, so I must build a vision that is clear, explicit, aspirational, and well communicated. I must ensure that I believe in the vision as its delivery is likely to span years and it will require a sustained level of energy and effort to guarantee success. However, success can not be achieved by me alone and Jan Pacas, Managing Director of Hilti Corporation provides advice, "You have to express [vision] so that every manager and employee can break it down into specific things that are relevant to them. The vision has to appeal to people's head, heart, and hands. Head, meaning that they understand it logically. Heart, meaning that its emotionally compelling to them. And hands, meaning that it is actionable, that they know what to do and they are empowered to do it." (Kouzes & Posner, 2017, p.118).

## Conclusion

Too often we can feel that we don't have to the power to change things. We can see potential improvements or optimisations that are obvious to us but can convince ourselves that we aren't in the position to do anything about it because of our lack of power. This is where building influence through boundary spanning, creating an open network, and establishing shared goals and values are necessary.

Through reading and research, I have begun to look at the other leaders me, and two have displayed characteristics that I admire.

First, Cynthia Carroll, the former CEO of Anglo American, the world’s largest mining company, refused to accept that mining was dangerous by its nature, and had the determination to change the culture of the company, whole industry, and to make safety a priority. She states, “I believed it needed a clear vision, guiding values, an overarching strategy, common business objectives, and, above all, a safe working environment for our employees.” (Carroll, 2012, p.2). Through her work from 2007 to 2011, Carroll oversaw a 62% reduction in fatalities and 50% decrease in time lost due to injuries. This change was disruptive requiring the shut down the world's largest platinum mine, in Rustenburg, which employed more than 30,000 people, but by creating and sharing a vision Carroll received the support needed to create change.

Secondly, I recently attended a keynote talk (Dohmke & Nadella, 2023) by two very prominent CEOs, Thomas Dohmke (GitHub CEO since 2018), and Satya Nadella (Microsoft CEO since 2014). Ten minutes before the end Satya walked on stage and began talking about how he spends his weekends coding with the help of the new GitHub features. He appears very relatable to those watching, extremely humble, and talks about the strong relationship between Microsoft, GitHub, and the community. However, the thing that stuck with me most is when Satya was talking about the 100 million users GitHub currently has, and his vision of growing that to 1 billion (with a "b"). No one questioned it, and having spoken to a several GitHub employees, the vision is shared. The whole company is committed to this goal and are enthusiastic about achieving it.

I regularly return to one particular definition of leadership that helps me remain focused; leadership is the art or process of influencing people so that they will strive willingly and enthusiastically towards the achievement of the organisation's purpose (Lynch, 2006). So, moving forward I must remember; people are the key; diversity is a necessity; collaboration is vital; and influence without power is possible through personal connections, but it is a leader who needs to have the ability to bring a lot of moving parts together and create a shared vision for change.