



**The (Unintended) Consequences of New Labour:  
Party Leadership vs Party Management in the British Labour Party**

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## **The (Unintended) Consequences of New Labour:**

### **Party Leadership vs Party Management in the British Labour Party**

#### ***Abstract***

*The Labour Party illustrates the paradox of highly efficient management tools and techniques leading to systemic failure. Since the mid-90s, in the pursuit of electoral success, leadership of the Labour Party has been subsumed in management of the party. Despite rhetorical emphasis on consensus-building and transparency, the party structure has evolved towards increased centralization and control, with strategic planning limited to delivery of the leadership's dictates. Such emphasis on results rather than on behaviour in the management of change in the party has had a damaging impact on the organisation, leading, first, to loss of trust and demoralization among members, and, second, to the erosion of party loyalty and civic pride among voters. This paper draws from the fields of political science as well as organisational studies to explore the impact of recent Labour Leaders on the quality of party processes as well as on party reputation. It is based on the long-term participant observation of the Labour Party at local and regional levels, as well as national events such as annual conferences. This paper starts by identifying the distinctive features of New Labour's party management. It then examines the "unintended consequences" of this brand of party management, showing this model to be mainly self-defeating. The final section provides a general assessment of the impact of this brand of management on organisational learning and innovation. The conclusion points to some of the main weaknesses of the New Labour leadership model and identifies the potential to re-engage with members – and, therefore, with voters - through more transparent, open and responsive structures.*

#### **Introduction**

Despite the enduring public and academic controversy regarding the evaluation of his tenure and the way the New Labour experiment rekindled interest in explorations into what can be called the "dark side" of leadership (Benson and Hogan, 2008), the literature on Blair's ranking as Prime Minister as well as international polls show him to be perceived as one of the "great" British Prime Ministers.<sup>i</sup> This is because, in most models, successful leadership is equated with winning and maintaining office. But longevity in power cannot be the only variable used in assessing leadership, especially in a country such as the UK where the Prime Minister is also a party leader and where, therefore, there exists a powerful dialectical relationship between internal and external consequences of individual leadership. Therefore, while there is an impression of immediate success through the historic series of election

victories, assessment of Blair's leadership must also include the effects on the long-term electoral prospects of the party, the level of internal democracy, the ability of the party to keep evolving, as well as the attitudes and feelings of members. Indeed, an intriguing aspect of perceptions of his leadership style is that although there is a tendency to be very critical of him in his role as Prime Minister (assessments of Blair are highly polarized, with a sizeable minority rating him very negatively, mainly because of the Iraq war, spin, and his autocratic behaviour), the public perceptions of the way he acted as a party leader are much more positive, with a view that he was very efficient in handling his party, turning it around and making it successful.<sup>ii</sup> We shall see that these more favourable perceptions are based on misconceptions – or limited awareness – of the impact of the New Labour reforms internally. Therefore, while any complete evaluation of leadership must consider the triangle of agency, followers and environment as well as the outcomes resulting from the relations between the three, this paper seeks to analyse the issue of political leadership specifically in its interaction with party management, which, according to Buller and James's statecraft model (2012), constitutes one of the five criteria by which to assess leadership. The dimension of individuality and personality cannot be set aside, nor can the context in which the evolution took place. But the decision to take party management as a focal point reflects the fact that, under New Labour, this dimension took centre stage.

The approach, based on the identification of a long-term trend towards increasing organisational convergence between public and private organisations (Avril and Zumello, 2013), combines analytical tools and concepts borrowed from both the field of political science and that of organisational studies. Although this latter field has so far been mostly confined to the study of business organisations, political scientists are beginning to appropriate its tools and concepts. For example Tim Heppell (2011) analyses the applicability of the concept of "toxicity", borrowed from the business academic literature, to the study of political leadership, and pioneer comparatist Joseph LaPalombara urges political scientists to pay more attention to the concept of "organisational learning", which at present draws most of its knowledge from studies of the firm, arguing that "people who see similarities in organisations, in whatever sphere they may be found, are basically correct in their perceptions." (LaPalombara, 2003: 575). An approach drawing together these two fields is further bolstered by the fact that New Labour explicitly sought to emulate the private sector (yet, crucially, without any experience of corporate life), with Blair trumpeting his admiration

for management thinkers such as Charles Handy and Charles Leadbeater (who became his adviser).

The main objective of this paper is to make a contribution to bringing these two fields together by looking at the practice of management in the Labour Party. “Practice” is a key element here. Indeed, of particular relevance to the study of party management is the subfield of organisational learning, which focusses on improving actual decision-making processes, with a view to successfully adapting to changing environments. The analysis, in the third section of this paper, of the New Labour organisational principles and practice through the prism of organisational learning, opens interesting avenues for further research on organisations. A characteristic of this study, therefore, is to be firmly grounded in empirical evidence, through the long-term direct observation of decision-making at all levels of the party from the early 1990s to the mid-2000s, a period covering the transition from Labour to New Labour. A very helpful source of information and empirical data, apart from my own observation of the party, is Minkin’s recently published detailed study of New Labour’s party management (Minkin, 2014), which provides the insider’s view of someone who acted both as observer and adviser and enjoyed access to the highest circles of the party hierarchy. Minkin also makes explicit references to some of the literature on management. The method adopted for this research can perhaps be best described as “grounded theory”, an approach in which categories and concepts are drawn from the data and which focusses on making implicit belief systems explicit.

This method of enquiry, empirically based but borrowing a variety of thinking tools and concepts to identify the patterns, applied to the New Labour party management, helps identify the main elements of a sweeping - yet implicit - culture change designed to replace whatever was left of the traditional Labour conference delegate democracy with a new organisational culture sustained by a number of structural as well as behavioural changes. Therefore the aim of this paper is to show the distinctiveness of New Labour’s party management relative to previous forms, to reveal its mostly hidden mechanisms and to highlight the short term effects as well as the long term consequences of the new managerial approach. Seeking to understand how and why the New Labour party management generally seemed to negate its own objectives, this paper opens with a definition of New Labour’s brand of party management, then analyses its (often) unintended effects and impact on the organisation, leading to a more general assessment of the relationship between party management and organisational learning.

## **1. Defining New Labour's brand of leadership and party management**

There is a tendency among academic and journalistic assessments of New Labour to question the very “newness” of the project and to seek to highlight elements of continuity, either with previous Labour experiences or with the Conservative administrations. I argue along with Minkin that, when it comes to management of the party, New Labour was fundamentally different and novel. Although party management has always existed and is consubstantial to any party, close analysis of the evolution of party organisation under New Labour shows that the development of a managerial system stands as one of Blair's main achievements and makes him historically different from previous Labour leaders (Minkin, 2014).

The analysis of New Labour's particular brand of management requires to first explore the tension between management and leadership. There exists a well-established classic literature on the relationship between leadership and organisational structures, from Max Weber, who pointed out the continuities of structure deriving from the bureaucratic form present within all large-scale organisations (Weber, 1978) and Robert Michels, who highlighted, through his “Iron law of oligarchy”, the bureaucratization of political parties (Michels, 1915) to Angelo Panebianco, who put forward the electoral-professional party model characterized by the strengthening of the role of leadership through greater reliance on professionals and the use of new forms of communication techniques (Panebianco, 1988), and Richard Katz and Peter Mair who theorized the emergence of the highly centralized cartel party (for example Katz and Mair, 1994). On the other hand, the conventional wisdom in business theory about the respective roles of the leader and the manager, which states that the leader “does the right thing” and the manager “does things right”, although crude, is quite relevant to political parties and constitutes a convenient starting point to an evaluation of New Labour's party management. In this view, the manager administers, has a short-range view and relies on control, while the leader innovates, has a long-range perspective and inspires trust. Even though leadership and management are very distinct concepts, in practice there is a natural overlap between the two. In the case of New Labour, it appears that they did more than overlapped and that Blair's leadership was actually largely subsumed in management, a situation which Minkin defines as the “managerised” party (Minkin, 2014: 700).

It must be acknowledged from the outset that management in political parties is unavoidable and even useful. As any organisation, a party needs to coordinate its activities, to engineer organisational cohesion and generally to create an atmosphere of trust, so as to obtain the desired outcomes as defined by the leadership at a given point in time. If we take a historical perspective of the Labour party, we see that party management, even in its less palatable dimension of procedural fixing, has always been there, since tensions inevitably appear between the strategic and the operational levels, with party managers mediating between the two. What is meant by management here is not simply the administration of the party machine (even if this aspect also needs to be taken into account) but refers to “what the managers, past and present, themselves often talked of as ‘management’: the attempt to control problem-causing activities, issues and developments in order to ensure that outcomes were produced which the managers considered to be in the party’s best interests” (Minkin, 2014: 1). In this perspective, management is a function conducted alongside other functions. What can be observed in the case of New Labour is that this dimension takes a new and distinctive turn, taking precedence over all other functions, with a view to creating cohesion and consensus within the party. The result is what Minkin describes as a “permanent revolution”, or a “rolling coup”, a succession of waves designed to take full control of the organisation.

The plans for reforms were based on a diagnosis of the party’s weaknesses as resulting from tensions between party and government which had plagued previous Labour governments (the experience of the Wilson governments, repeatedly defeated at conference, stood out in particular). The New Labour project aimed to address this problem and was designed to bring party and leadership into alignment. Following the ideological adaptation brought about by the Policy Review conducted under Neil Kinnock, which aimed to identify the wishes of the electorate and adjust party policy accordingly, the views of the leadership were considered to be aligned with those of the voters. To borrow a newspaper headline at the time, in order to win, the party needed to “please the voters, not the members”. This meant ensuring that the local parties, the unions as well as dissident MPs could not get any traction. The belief that the New Labour leadership was in alignment with the voters was reinforced by Blair’s conviction that he had his finger on the nation’s pulse. One key aspect of Blair’s attitude was also his lack of affinity with the Labour Party. In fact he appears to have often actively disliked the party he was leading and to have generally regarded the party as the enemy, or at the very least an encumbrance and a source of embarrassment, rather than an

asset and a source of leadership strength (Buller and James, 2012: 548; Minkin, 2014). As a result, the whole New Labour management strategy was based on a very negative appraisal of the party, of its previous leaders and of its organisational culture. The view was that the party needed to be corrected, its ideological baggage discarded and its traditional practices abandoned. Blair and his allies therefore thought it best to import a management culture which was alien to the party, resulting in a frontal and systematic attack on all the elements of the traditional Labour Party culture.

If we now try to characterize the New Labour variant of party management, a number of key features can be identified.<sup>iii</sup> A first feature is an ethics of delivery, more specifically an ethics of delivering to the leader rather than to the party, which lead to the extensive use of procedural fixes. Procedural tinkering is a constitutive part of management, which is outcomes rather than process oriented, and is to be expected. But this was taken to a new level with New Labour. Rules were now seen as “flexible instruments of power” (Minkin, 2014: 666) and emphasis was placed on delivering results regardless of the manner. In fact, rules and procedures, which stood in the way of swift decision-making, came to be seen as nothing more than time-wasting devices and were derided as “processology” (Ibid.: 137). A second major feature of New Labour’s party management was the politicization of national and regional party staff (which was part of the wider “professionalization” of the party). Party officials became partisan “party organisers” delivering to the leader, making up a praetorian guard around Blair. At local level this was also observed through the replacement, during election campaigns, of local volunteer activists by paid electoral agents, which was experienced as as a form of takeover (Avril, 2007). These elements were then underpinned by a culture change which is probably the most distinctive feature of New Labour. The modernisers around Blair – and Blair himself - developed a specific attitude and behaviour, linked to their self-perception as an elite, a vanguard, imbued with a moral superiority which justified all the fixing. The New Labour people were steeped in a culture of being “bold” and unstoppable and relished the idea that they could get away with anything.

The element of New Labour’s change management strategy were hidden and dressed up in an official discourse of democratization. The reforms were said to aim at establishing a direct relationship between the leadership and the members, of doing away with what was dismissed as archaic routines (formal meetings were systematically described as excruciatingly boring and not an activity in which any sane member of the public would want to engage) so as to create a “vibrant”, “healthy” party which would be attractive to new categories of members.

In practice, this meant the removal of most decisions from the formal decision-making arena of the annual conference, through the creation of policy forums where discussions were supposed to bring about a more “consensual” approach. However, the democratic quality of the new processes of policy making is very doubtful as members of the forums were handpicked so as to ensure the right results would emerge and dissenting voices struggled to make themselves heard. The move towards direct democracy led to the erosion of the elective power of activists and the idea of increased membership participation did not entail increased membership influence (Avril, 2013). In the same vein, increased physical proximity, with the leadership team “walking the floor” at conference, often resulted in bullying and intimidation of conference delegates by ministers and high ranking organisers (Avril, 2007: 89-90). Generally, the democratic processes outlined in the 1998 *Partnership in Power* review document were perverted and replaced with gimmicky consultations such as the Big Conversation initiative, whilst the “Partnership” idea translated in practice into “managed subordination” (Minkin, 2014: 672). Overall, New Labour’s style of management can be defined as a form of a top-down, command-and-control “over-management”, which translated into a pattern of self-reinforcing practices the effect of which was not only to produce counterproductive outcomes but more seriously to lead to a situation where the organisation found itself caught into a spiral of ever tightening control.

## **2. The unintended effects of New Labour’s method of party management**

We now look at some of the ways the New Labour management reforms are seen to have failed to achieve their main goals to then assess the impact which some of the modernisers’ errors of judgement had on the party. The counter-intuitive effects of change management have already been pointed out in the literature (notably Panebianco, 1988: 241). What is distinctive in the case of New Labour is that this specific party management approach appears to have been intrinsically self-defeating. Thus reforms which were designed to increase control often resulted, when implemented, in loss of control. The best-known cases, extensively commented upon in the media, are the messy handling of the Livingstone candidacy in London and that of Rhodri Morgan in Wales. But even if the New Labour managers’ “control freakery” and procedural fixing is a well-established fact, its extent and effects have been much underestimated.

A first unintended outcome was a result of the belief that the views of the leadership and those of the voters were aligned and of attempts to align the party with those views (Avril, 2013; Minkin, 2014; Wring, 2005). The party (the trade unions and the CLPs) was seen as holding views which were harmful because they were thought to be at odds with how the voters felt. They therefore needed to be contained. This strategy was particularly visible at the party conference where the New Labour managers used all the tricks in the book to ensure that there would be no damaging platform defeats. To avoid any coordinated rebellion, the principle of mandate was actively discouraged and unexperienced conference delegates were briefed by party staff to vote according to personal preferences, and not, as had been the practice, to reflect the majority views of their local party. This occasionally led to delegates from the same constituency voting against each other. Prior to crucial votes being taken, constituency delegates were often coaxed and/or intimidated through one-to-one encounters with ministers, and then through high ranking party officers staring at them from a few feet away during the vote. Generally the conference was orchestrated to stage enthusiastic support for the leadership. The Leader's speech was now introduced by lengthy and loud warm ups of rousing pop songs and videos to the glory of the leader, with party organisers leading the clapping. One of the most interesting contributions of Minkin's book is that it provides several examples showing that the belief in an alignment between the leadership and the voters was incorrect. In some cases, it was in fact the leadership which was at odds with public sentiment and constituency delegates were occasionally persuaded to vote in favour of reforms which the wider membership did not approve of, as was the case on foundation hospitals or higher tuition fees. Therefore, the overall effect of over-management of the party conference was to cut off the leadership from adequate feedback from the floor.

The sustained efforts to control the grassroots were based on a misconception of local parties and members, who were seen, in keeping with the old Duverger model, as dangerous radicals who would thwart the modernisers' ambition to make the party more responsive to the voters. However, the rare empirical studies to investigate the supposed ideological gap between Labour members and Labour voters (Seyd and Whiteley, 2002) have shown it to be in fact very slight and a matter of degree rather than of a real divergence of opinions. The fact that disregard for the importance of local party activists and the local campaign resulted in weakened organisational vitality (as seen through the steep decline in membership as well as in the low level of participation in internal elections) was considered a risk worth taking. In any case, it was believed that the declining activity of traditional party activists could be

compensated by the mobilization of a looser supporters' network (Scarrow, 2013). But the cost of alienating the party was clearly seen during the 2005 election campaign, when internal party discontent expressed itself mainly through diminished activism and with many local parties positioning their parliamentary candidates clearly in opposition to the New Labour line and refusing to make reference to New Labour or even to Blair in their candidate's election address.

The political marketing literature has also stressed the dangers of the Labour modernisers' approach to "product design" which consists in forcibly shaping the party to fit voters' preferences. Jennifer Lees-Marshment explains that, just as in business organisations, the most important audience of an organisation is its own members and that parties must adjust the product "to suit internal demands which include party ideology and traditions" (Lees-Marshment, 2001: 190). Minkin even argues that there is no factual evidence to support the view that that internal dissent and intra-party revolts were always publicly harmful, since on some issues, the public display of a debate (over lone-parents benefits in 1997 or pensions in 2000) might even have been welcome by the voters. Therefore New Labour's party management methods, which were focused on electoral gain, in reality made the party less attuned to the electorate.

Even more paradoxical for a party whose main objective was to win election, one of the most immediate and most significant effects of the New Labour's party management, which worked hand in hand with management of the media, was the toxification of the party's image. The British media quickly rebelled against the heavy handedness with which they were being managed. "Spin" became the story, and the public perception soon came to be that Blair had a toxic influence on the body politic. Even if the decision over Iraq and the manipulation of Parliament stand out as defining moments, these events are not the watershed that they seem and there were many other damaging expositions of New Labour's willingness to bend the rules. After the summer of 1997, when Blair had an approval rating of 93%, perceptions already began to slip, first with the Ecclestone sponsorship row, then with Mandelson's first resignation (Stanyer, 2003). The leadership failed attempts to neutralize Ken Livingstone over the London Mayor election, with the press covering every twist in the story with a narrative of manipulation, stands out as a particularly embarrassing episode which displayed both New Labour's disregard for a fair democratic process for the sake of expediency and the self-defeating results of such tactics, since Livingstone went on to win the election and later had to be reinstated in the party.

This demonstrates that lack of respect for due process, emphasis on short-term success, and rule bending all have a short term as well as long term cost. How the party arrives at its decisions, the rules and procedures it follows are more than mere technicalities. They affect the party's image and reputation in ways which reverberates beyond the boundaries of the organisation and impact the way the party engages with the voters. Rule twisting results in a loss of trust internally and externally. Blair's reputation in itself is an indicator of this cost. He is now disliked and seen as a "celebrity" bent on raking the money in. But the damage goes further since the whole organisation became tainted. The party was left discredited and disconnected, with weakened ties to its "natural" constituency, a problem which the *Blue Labour* project theorized by Maurice Glasman, which then morphed "One Nation" in Ed Miliband's leader's speech at the 2012 conference, is striving to address.

Other arguments to support the view that the modernisers' achievements fell short of their objectives include the fact that many of the changes associated with New Labour (such as the renegotiation of the relationship with the trade unions, or the more voter oriented approach to policy-making) were initiated under Neil Kinnock and John Smith, well before Blair took over the party in 1994. Let us not forget either that Blair had not managed to get overwhelming support in 1994. The paradox of the "leadership-dominated party" (Quinn, 2004) is that Blair, "the Leader with the greatest managerial powers in Labour history" (Minkin, 2014: 681), who had managed to stave off the adoption of an up-to-date procedure for removing the party leader, far from making his own position more secure, was eventually forced by a distrustful parliamentary party to step down at a time which was not of his own choosing. Minkin shows that, overall, Blair never managed to establish a complete "supremacy" over the party and that he faced constant and often efficient resistance from the the PLP, the unions and the CLPs. In fact, according to Philip Cowley (2007), parliamentary rebellions were a direct result of Blair's autocratic style of leadership. The New Labour example shows that a command and control approach is likely to generate powerful counter-movements.

New Labour was therefore clearly not the success story it has been described as. Not only is election victory obviously not the only criterion of success, but even in electoral terms the party's accomplishments need to be set against the fact that the New Labour governments presided over a period of rising concern about disaffected voters. The record level of abstention in the 2001 general election was such a shock that it prompted the setting up of the Audit of Political Engagement. In addition, Blair's leadership cannot be assessed in isolation

from the project which was designed to sustain him in power. Party management under Brown retained the same features. In fact, the Blair/Brown duopoly was a constitutive part of the project and one of its main weaknesses. The new processes, which were supposed to foster consensus-building and dialogue, bringing party and government closer together, instead turned a pluralistic party into a highly factionalized one. In their unshakable belief that any public display of disagreement would be electorally damaging, the New Labour managers engaged in party management that was so heavy-handed that it eventually led to systemic failure. Awareness of these shortcomings was occasionally voiced by leading figures of the party, including policy adviser Philip Gould who in 2002 acknowledged that the New Labour brand had become “contaminated”. The puzzle, then, is to understand why the New Labour managers proved unable to change their ways.

### **3. New Labour’s anti-learning practices or death by consensus**

There is an assumption that internal cohesion, in other words, harmony between the various groups which make up the organisation, is the condition for its durability.<sup>iv</sup> The Labour Party had undeniably suffered in the past from its image of a torn party. Eric Shaw refers to this as a “debilitating civil war” which “impressed upon the public mind the image of an incessantly brawling and congenitally divided party” (Shaw, 1994: 166). Along with Erving Goffman, one can think of the Labour Party as a “team”, or “a set of individuals who cooperate in staging a single routine” (Goffman, 1990: 85). But such unity is only superficial since the different subgroups are competing, each having power to undermine the collectively displayed identity, the power to “give the game away” and to reveal the divisions to the outside world. In this perspective, any public manifestation of disagreement is potentially damaging since it undermines the definition which the party is striving to present: “It seems to be generally felt that public disagreement among the members of the team not only incapacitates them for united action but also embarrasses the reality sponsored by the team” (Ibid. : 91). The history of Labour Party conferences is full of those dramatic episodes where an individual or group stages a walk out.

However, it is also possible to consider that, paradoxically, internal competition can contribute to maintaining continuity in the party. Thus Jacques Lagroye argues that competition between rival factions “allows actors to claim continuity, fidelity to basic principles and party history and also to the preservation of those lasting characteristics which

give the organisation identity” (Lagroye, 1989: 372). One can even consider with Patrick Seyd and Paul Whiteley that too much consensus is harmful to the party, making the point that if we can agree that disagreements are undeniably costly in electoral terms, the same goes for the blandness of a “sanitized” party (Seyd and Whiteley, 1992: 207). Such type of party simply ends up putting the voters off as they can no longer see the difference between the parties. It also discourages activists, who lose any incentive to get mobilised and to campaign.

Moreover, internal divisions may even help keep the party healthy, preventing it from ossifying, counterbalancing the oligarchic tendencies identified by Michels. Internal contestation maintains the political organisation’s dynamism and ability for innovation. In 1994, Eric Shaw expressed concern at the gradual centralisation of power in the Labour Party, fearing “dwindling organisational vitality and ideological exhaustion” (Shaw, 1994: 166), underlining the necessity for an organisation wishing to avoid sclerosis to allow for the development within itself of units capable of autonomous action whose effect will be to provide an arena within which new ideas can be generated (Shaw, 2002: 8). Instead, the New Labour approach reflected a strict implementation of the principle of collective responsibility (which Shaw compares, as Richard Crossman had done in his time, to Leninist democratic centralism), with minority opinions being ignored. This problem was clearly seen in the way the newly created policy forums functioned, where minority opinions struggled to even be recorded. Shaw concludes that “a malleable party is unlikely to be an energetic one”, as shown by the “mounting apathy and lethargy within Labour ranks” (Ibid.: 12). In an interview conducted in 1995, Vladimir Derer, founder of the Campaign for Labour Party Democracy, expressed the view, echoed by many party members, that only political debate can keep activists, whom the leadership relies on to run the local parties and campaigns, interested. Participation to the political debate, which “wine and cheese evenings” could never replace, is an essential motivation for partisan engagement. Internal divisions and the possibility of expressing one’s disapproval of the official line are a condition for organisational vitality. Therefore, if the risk of implosion is very real, as illustrated by the catastrophic party split of 1981, devitalisation is just as dangerous.

Another danger is the loss of a critical mind. One of the most interesting aspects of Minkin’s study of New Labour’s party management is the way it highlights a defense mechanism known in the field of organisational studies as “skilled unawareness” (Argyris, 2012), and which Minkin refers to as “willful blindness” or “blinkered realism” (Minkin, 2014: 709), which can be defined as the inability to see the warning signs or to interpret them

correctly, and a tendency to blame any failures on external factors. This phenomenon results in a dysfunctional decision-making process where an in-group overrates their ability to make decisions and is in denial of any gap or inconsistencies, a form of behaviour reminiscent of Irving Janis's famous exposition of "groupthink" (Janis, 1979), which, he explains, is likely to result both in irrational decisions and dehumanizing actions directed against outgroups. Janis devised eight symptoms indicative of groupthink: first, overestimation of the power and morality the group (whereby excessive optimism and the unquestioned belief in the morality of the group causes members to ignore the consequences of their actions); second, closed-mindedness (warnings which might challenge the group's assumptions are ignored and dissenters are stereotyped as weak, evil, biased or stupid); third, pressures toward uniformity (leading to the self-censorship of ideas which deviate from the consensus, with members under pressure to conform).

The parallels with the New Labour managers' behaviour and mindset are striking. Refusal to conform to the new orthodoxy exposed party members to accusations of disloyalty and the risk of being silenced at any cost. Left-winger Liz Davies, who served for two years on the party's National Executive Committee before resigning, illustrates in her book this pressure to conform and the harmfulness of such *esprit de corps*. She describes the nonsense pervading some of the NEC meetings where « cabinet members or Millbank staff would repeat the most implausible versions or explanations of events (the *Guardian* was a Tory paper, the election result was a disaster for Livingstone, rules existed even though no one had written them down) and nearly everyone around the table would nod in agreement" (Davies, 2001: 173). NEC members, concerned that they might lose other members' approval, carefully strove not to deviate from the consensus, opting to keep their doubts and worries to themselves for fear of being seen as disloyal, thus feeding the shared illusion of unanimity. This process, which Karl Albrecht calls "learned incapacity" (Albrecht, 2003: 17-38), condemns the organisation to certain failure, for when group members have literally "learned not to learn", errors no longer appear as such and the systematic response to emerging problems is the reckless decision to press on in the wrong direction.

The plebiscitary party model developed by Patrick Seyd and Paul Whiteley stresses the same thwarted processes. This model, characterised by "a veneer of democracy disguising centralisation and control" (Seyd and Whiteley, 2002: 176), is a threat to the party's chances of survival since this "empty" structure can no longer fulfil key traditional functions such as campaigning and recruitment. "The key problem – they argue - is that unaccountable power

tends to make leaders stupid, out of touch and unwilling to do the hard work of building a rational case for policy initiatives” (Ibid.: 174). Although Minkin is critical of the plebiscitary model as applied to the Labour party, showing that early attempts initiated by Blair at conducting internal referendums (such as on the 1997 party manifesto) were considered internally as fiascos and were quickly abandoned (Minkin, 2014), both lines of analysis converge in stressing that orthodoxy and centralised control are a danger to the organisation, which finds itself cut off from a vital source of innovation and more likely to make mistakes. The way the New Labour leadership stifled all dissenting opinion, imposing a new orthodoxy throughout the organisation, turned the party into a “toxic organisation”, closed to new ideas for fear of having to put its own assumptions into question, where people stopped questioning “how and why things [were] done” (Goleman, 2002, 195). Although it is obvious that an undisciplined party is almost guaranteed to lose elections, the New Labour managers’ exclusive concern for internal cohesion was even more harmful in the long run, as all that was achieved was “the consensus of the graveyard” (Seyd and Whiteley, 2002: 176).

In his classic work on the rules of innovation, James Utterback explains that once a new idea has been created, the future of the organisation will depend on whatever will be done with that new idea. He goes on to highlight the paradox of leaders closing ranks around an innovative idea so as to protect it, and concentrating on the product which the process has led to rather than on the process itself. “It is a great irony – he writes - that wisdom for many firms that derive current good fortune from radical innovations of the past lies in erecting barriers to these same types of innovations today” (Utterback, 1996: 224). This hostility to any further change which might threaten the new idea is clearly reflected in the Labour party modernisers’ main concern to defend the New Labour “project”, to unite the various sections of the party around it, rather than to create the conditions for new ideas to continue emerging. Indeed, a key manifestation of the New Labour party management is the way the modernisers were trapped in a self-protective mindset which went counter to organisational learning. Minkin describes the omerta at the top of the party about the problem of Blair’s method of leadership, which was never raised despite mounting evidence of poor decision-making. Blair simply could not accept that his party management “had been based on some major false assumptions and produced some unfortunate consequences” (Minkin, 2014: 472) and the New Labour managers generally found it difficult to cope with their own errors and shortcomings, downplaying each difficulty or setback as nothing more than a “blip” or blaming poor results and mistakes on external factors.

In his landmark book on innovation, Clayton Christensen explains how traditional big businesses which developed systems aiming at eliminating everything that the clients did not want, found themselves in a position of no longer being able to respond to the customers' expectations when these changed. Christensen identifies a "dilemma", which is that, in business, efficient management - management focused on the short-term needs of customers and on improving the product - often turns out to be the very cause of eventual failure (Christensen, 2000). This is a warning which the New Labour managers would have been well advised to heed when they devised a whole communication strategy aimed at "Middle England", a specific and narrow segment of the market deemed as key (Wring, 2005). The growing uncertainty of the working environment of businesses finds an echo in politics where the effects of globalisation and technological change are also felt, as well as those of the emergence of a clientele who is increasingly difficult to attract. A more appropriate organisational model, it is argued, is that of the "learning organisation", as defined by Peter Senge or Bob Garratt,<sup>v</sup> where the learning potential of the organisation is considered as its only really long-lasting competitive advantage. This approach, also known as "action learning", which was pioneered by Reg Revans in the UK and Chris Argyris in the US in the 1970s and 1980s,<sup>vi</sup> and later popularized by Peter Senge, calls for a re-evaluation of the traditional managerial practices based on an obsolete taylorist and mechanistic conception of organisations. Action learning is based on the idea that the key to improving performance does not lie with the abstract theories put forward by management experts, but with the practitioners themselves who learn from their own actions and experience (Boshyk and Dilworth, 2010). To assert its "newness", New Labour wanted a clean break from Labour's past, but what was swept away in the process was also the "accumulated wisdom of past experience" (Minkin, 2014: 143).

New Labour's "anti-learning practices" thus betrayed its inability to adopt the learning methodology required for the creation of new ideas. In removing what they saw as obstacles standing in the way of action and adopting a defensive posture around an ossified project, the New Labour managers contributed to "the devitalisation of other potentially creative innovators" (Ibid.: 715). The effect of this inability to learn from mistakes and the systematic corruption of the party's internal democracy was to alienate both the members and the voters. In this sense it is true to say that internal consensus and cohesion, as they manifested themselves in New Labour, constituted obstacles to innovation and therefore endangered the survival of the party. The antidote to this self-defeating management model lies with a

leadership model which takes the well-being of members into account and can generate an atmosphere of trust, where the aims of the party are not focussed so much on explicit linear goals and more on the expressive functions of membership.

### **Conclusion – New Labour: strong management; weak leadership**

Blair's style is taken as an example of "strong" leadership associated with authority, strength and charisma. At the same time, Blair's leadership style is also assessed as manipulative, opportunistic and stubborn, when "strong" leadership would in fact require flexibility, adaptability and integrity. Following McAnulla's analysis of the "toxic" dimension of Blair's leadership (2011) and Minkin's description of Blair as someone who was "addicted to the appeal of a form of bold leadership" (Minkin, 2014: 570), we can draw from the "toxic triangle" model of destructive leadership (Padilla et al., 2007) to point out the interactions between a destructive leader, susceptible followers (more appropriately described here as members bound by an *esprit de corps*), and a conducive environment. But the Blair example also shows how the so-called "strong" leader is defeated by his hubris and eventually rejected by his party and the electorate. Destructive leadership is both harmful to the organisation, since it subverts its structures (Lipman-Blumen, 2004) and is negatively correlated to members' well-being and commitment to the organisation (Schyns and Schilling, 2013), and self-destructive. This paper has shown that this kind of leadership, associated with dominance, is strong only in a managerial, command and control sense, but is in fact weak, since it achieves poor results, or results that are much poorer than those sought (Brown, 2014) and is even largely counterproductive. As Minkin points out, when it comes to party management, "a win is not always a win" (2014: 746).

The negative impact of New Labour's party management model is visible on several levels. It is a model which generates high levels of distrust both internally and externally; it is poor from an ethical perspective; and, even more damagingly, it is organisationally self-defeating. We can, alongside Minkin, borrow from Piotr Sztompka's analysis to identify the main elements of a trust culture (Sztompka, 1998) - normative coherence, stability of the social order, transparency, and accountability – to show that Blair's management culture was the exact opposite, characterized as it was by deceit, secrecy and manipulation, thus contradicting the basic principles of democratic society based on "accountability, participation, consent and representation" (Cliffe, Ramsay and Bartlett, 2000: 35). Although

some amount of political deception is not only inevitable but can even be legitimate when conducted by elected politicians in the public interest (Newey, 2009), lies are counterproductive, even from a realist's perspective, since, when discovered, they generate cynicism and distrust (Bok, 1999, cited in Minkin, 2014: 511). Perceptions of personal integrity (setting an example, telling the truth) is a crucial factor of leadership appraisal and affects the relationship that the leader and the party as a whole, as well as the relationship the whole political "class", entertains with the wider public. The "Ethical leadership" school also emphasizes the importance of ethical decision-making processes, the development of an ethical climate, and of organisational systems and practices which enable accountability through checks and balances (Schaubroeck et al., 2012). Organisational culture also has an impact on party reputation. Therefore, despite some amount of admiration for his ruthless Machiavellian approach, the main lesson from Blair's management style is that even in the case of an exceptionally charismatic leader, perceptions of a lack of authenticity severely harms the leader's image and turns the voters off the very idea of a "strong" leader.

It is ironic that as Tony Blair became leader and as New Labour was swept into power, an entire wave of groundbreaking management books, developing the model of the learning organisation (Senge, 1990), offering new thinking on innovation (Utterback, 1994; Christensen, 1997) and underlining the crucial importance of emotional intelligence in leadership (Goleman, 1998, 2002), came out in close succession, repudiating the managerial tenets which had dominated the 1980s and 1990s. Despite Blair supposedly seeking advice from high profile management thinkers, none of this new thinking seems to have filtered into New Labour's party management. At the time when New Labour practiced self-censorship, in the business world emphasis was placed on the production of new ideas as the way of developing competitive advantage. Engaging fully with employees in strategy and delivery was now shown to be the key to achieving the organisation's objectives. The New Labour reforms, which aimed at increasing efficiency essentially through the suppression of any dissenting voice, were therefore out of step with this new thinking. In addition, Blair's model of the CEO being able to make decisions on the hoof without the encumbrance of procedures was anything but based on the practical realities of management in corporations. New Labour thus drew inspiration from thinking that was divorced from practice, on precepts which were being questioned within the private sector, and on a distorted vision of corporate life.

There can be no return to Labour pre-New Labour, but there are signs that some of the damage has started to be undone. For a start, Ed Miliband, more than Brown or his own

brother David, is the antithesis to the Blair leadership model (Avril, forthcoming). From a party management standpoint, the reforms adopted on 1<sup>st</sup> March 2014, following the recommendations set out in the Collins Report, and designed to reconnect the party with the voters, can contribute to repairing the relationship with the members (Collins, 2014). The recommendations, which were approved by 86 per cent of delegates, included the adoption of full OMOV for leadership elections as well as a widening of the franchise to party “registered supporters”, in place of the electoral college. Miliband stated that the rule changes represented “the biggest transfer of power in the history of our party to our members and supporters”. The moves may constitute a means to respond to the decline in traditional forms of membership and help reconnect the party with civil society (Scarrow, 2013, 2015). The reforms also bring an end to the automatic affiliation of union members so that trade unionists may have a more direct affiliation with the party. Therefore, although Miliband is almost universally derided as a “poor” leader (the marked discrepancy between his personal unpopularity and the image of the party as a whole nevertheless raises questions about the extent to which his personal ratings affect the electoral chances of his party), his role can be more positively assessed from the party management perspective. Miliband may not cut a media friendly figure, but his handling of the party may be taken as an indication of a willingness to take risks and to make mistakes showing a greater understanding of sound management than his more illustrious predecessor. In the long run, the emphasis on a greater involvement of the grassroots, a widening of the membership, increased transparency and a higher degree of personal integrity (Miliband is as yet untainted), may go some way to rebuilding trust both within and without the party.

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<sup>i</sup> According to a Harris interactive poll carried out in the US as well as five European countries in 2009, Blair ranked higher than some active leaders in terms of perceived influence. Overall, over the six countries included in the survey, Tony Blair ranked in fourth position in the popularity index (combining positive opinion and perceived influence), behind Obama, Merkel and the Dalai Lama, and ahead of Sarkozy and Gordon Brown.

<sup>ii</sup> Some of these comments are based on a Monkeysurvey submitted to academics based in French Universities' English Departments, from 30 November to 10 December 2014. 49.36% of respondents has a positive opinion of Blair while 50.65% had a negative opinion of him, with a sizeable 10.39% considering that he had made an "appalling" Prime Minister. The figures showed a clear divergence between perceptions of Blair as Prime Minister and as Party Leader, with 72.48% of respondents having a positive view of him as Party Leader.

<sup>iii</sup> The elements presented in this section are based on Lewis Minkin's book, private conversations with Minkin, as well as discussions during a workshop on Minkin's book organised by the PSA Labour Movements Group at the university of Leeds in October 2014, with contributions from Eric Shaw, Mark Wickham-Jones, Tim Heppell, Matt Beech, Lewis Minkin and myself.

<sup>iv</sup> For a full discussion on cohesion and consensus in New Labour see Avril, 2007.

<sup>v</sup> We need to distinguish between two schools, on the one hand, "organisational learning", as theorised by Chris Argyris (see for example, 2004) which looks at the learning mechanisms within organisations, and on the other hand "the learning organisation" whose proponents focus essentially on advocating the adoption of new ways of functioning, as in the case of Peter Senge (1990) and Bob Garratt (2001).

<sup>vi</sup> "Action learning", also known as "double loop" learning, is a process of detection and correction of errors which protects the organisation against modes of functioning that go against its long term interests. While single loop learning refers to corrections that do not question in-built theoretical assumptions, double loop learning challenges the mental models and allows for the governing norms and values to be adjusted (Argyris and Schon, 1978).