



## Sir Richard Branson's Coaching Culture at Virgin



### Why Virgin had a Coaching Culture

I joined the fledgling Virgin group in the 1970s, where as an MD of some of the Virgin companies, I learned at first hand the leadership style of Richard Branson, which we would now call coaching. Virgin was a place where people were valued for their strengths rather than censured for their weaknesses and, before long, our small and inexperienced team with its limited resources was outselling competitors like EMI and RCA in the music charts. Later, as a board level director at similar corporations, I wondered why their teams seemed to throw obstacles in each other's paths instead of joining forces to win together.



The author with Sir Richard Branson

In the early years, none of the team at Virgin had any previous experience of the record business, including Richard Branson. Branson's approach to hiring staff was to offer people a job if he liked the look of them, an intuitive approach which is characteristic of all Branson's decision making. After a short interview, he asked what sort of job I was looking for, and I replied, anything but a secretary – which was virtually the only job open to women at the time.

So my very first contact with Virgin yielded what we would now call 'a coaching approach'. Branson's first move was to put the decision in my hands, asking me a question rather than telling me what jobs were available. As a result, I was offered the post of running the newly formed Virgin music publishing company. I knew little about what a music publishing company was, or what it did, (but then again, neither did Branson or anyone else at Virgin), and I spent

probably my first two years in the role finding out. During the third year I swung into action and signed my first artistes: Sting and The Buzzcocks, followed by The Human League, Tom Petty, Iggy Pop and J.J. Cale. Within five years, Virgin Music had moved up the Music Week company charts from nowhere, to the top three, vying for position with Warner Brothers and CBS (now Sony).

Again, this illustrates a coaching pattern: no-one there was no-one to give me any guidance and, left to my own devices, I discovered new ways of doing things that suited my own performance style. During the first two years, a more experienced manager would probably have achieved more; however, after that, it would probably be the case that my achievements outstripped any similar manager in the music business. Looking back years later, after substantial experience as a director in corporate record companies, I refined the success of this fertile environment as being due to three factors:

### The Pillars of a Coaching Culture



#### Responsibility:

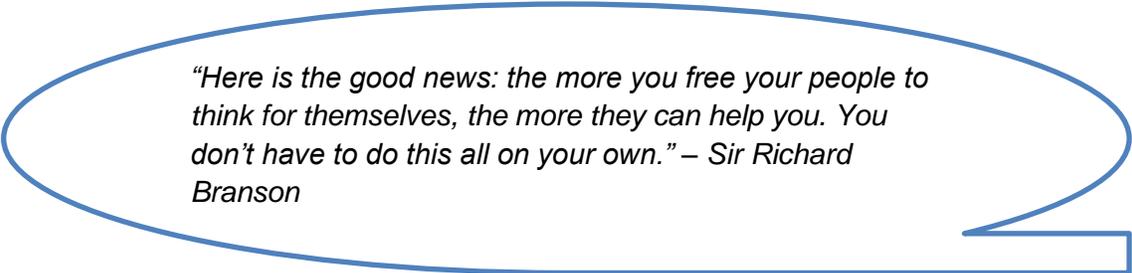
Because no-one had previous experience at Virgin, we made it up as we went along and often invented new and better ways of doing things. Branson valued innovative thinking and encouraged people to take risks. In fact, I was more likely to find myself arguing with him not to invest in a risky proposition than trying to persuade him to make one.

For example, I once refused to sign an artiste that Branson was keen to acquire, because I did not see any potential there and the artiste was demanding a very high advance. Branson joked

that he would put up a big sign over my desk saying '*I turned down [xxx]*'. but did not make me do the deal – that was simply not the Virgin way. Fortunately for me, the artiste, after being signed by a rival organization for the large advance, disappeared without trace.

This illustrates how Branson would never, under any circumstances, tell his staff what to do. He knew nothing about record companies, probably knows little about trains and planes and certainly nothing about spaceships. He believed that the best person to make a decision about a work area is the one who is there, out in the field. That person will know more about the current state of the market, the conditions and the context of the decision to be made than anyone further up the line who has previous experience of a *different* context at a *different* time and in *different* conditions.

Being given such a high level of responsibility made us super careful to investigate, research and hone our decisions. There was no-one to pick up on errors or suggest another route: the buck stopped with us. The more that managers control and check up on their employees, the less effort the employees will put in themselves. Why bother to exert oneself when someone else is going to correct the mistakes and change it all anyway?



*"Here is the good news: the more you free your people to think for themselves, the more they can help you. You don't have to do this all on your own." – Sir Richard Branson*

### **Self-belief:**

People in their first jobs are not normally brimming with confidence in their abilities, and I was no exception. However I was armed with my natural optimism, and a belief instilled by my wise parents that anything was possible if one worked hard enough. At Virgin this was reinforced by Branson, who inherited a similar attitude from his mother Eve, imbuing him with a belief that his teams could achieve anything too.

In many organisations, there is a culture of caution – not without reason, people are simply doing their best to protect the interests of the organisation – but it results in a situation where when someone comes up with a new idea, the boss shouts it down: *we tried something similar 5 years ago and it didn't work then, so it won't work now; that will never happen, you'll never get them to agree to this, that could go wrong, this could happen, etc etc.*

There was none of that negativity at Virgin. Branson thrived on new, untested ideas and the riskier they were, the more he liked them. So a new plan would be greeted by enthusiasm,

admiration and an unshakeable (and looking back, often unwarranted!) belief that whoever came up with the idea would make it work.

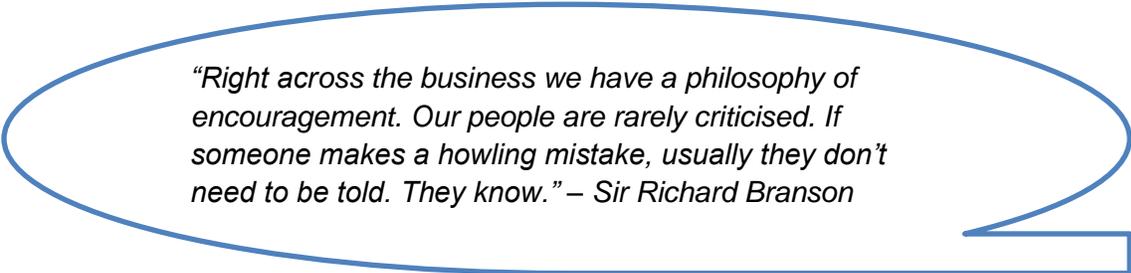
His attitude gave us the confidence and motivation that propelled us towards success. If Branson believed we could achieve something, then surely we could – because he believed, we believed, and then we just did it. The more people are trusted, the easier it is for them to trust themselves.

So praise and recognition are vital in building self-confidence, but there is another important aspect as well: people have to build their own self-confidence, by practising and testing their skills. Sometimes they will fail. So the other route to self-belief is:

### **Learning not blame:**

Of course there were times when our grand schemes failed; we were short on experience, and things can go wrong even when people know a lot. Looking back, now that I have more experience of the pervasive scapegoat culture we have, particularly in the UK, it seems extraordinary that if any of us failed at Virgin, our first port of call was Branson. It never crossed my mind to hide mistakes.

In most organisations people will go to great lengths to hide their errors. Whole teams can put all their creative energy over an extended period of time into covering up, when the situation might have an easy solution, but one that would entail informing the boss. This never happened at Virgin. Branson's attitude was as if he was standing at the start of a maze, at the end of which was his target. Every false trail identified in that maze brought us one step closer to the target. Branson wrote:



*“Right across the business we have a philosophy of encouragement. Our people are rarely criticised. If someone makes a howling mistake, usually they don't need to be told. They know.” – Sir Richard Branson*

As Branson says, when people know they have made a mistake they do not need to be told. Who is your own worst critic? The beating inflicted by a boss is rarely as severe as the one we give ourselves. How many times have you walked away from a successful event replaying only the parts that went wrong, however insignificant? If we are aware of our errors, it is actually more useful to be told what we are doing well than dwelling on failures. Praise raises energy and reinforces confidence. It is a great motivator to do better next time.

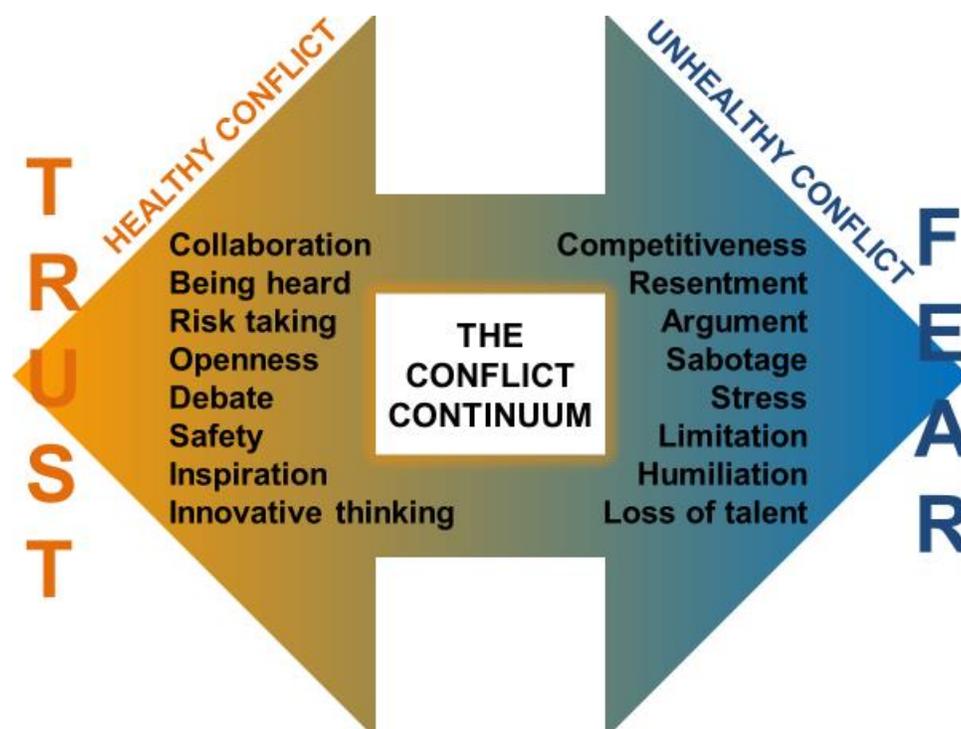
I once coached a woman who set herself a gruelling list of actions in every session, maybe 25 to be achieved in a week. She usually not only completed them but exceeded what she had

set out to achieve. One week she said she had failed to complete two of the actions. I was astonished to hear her confess 'That's the sort of person I am; I never get anything done'. I played back to her to contradiction between her view of herself and the reality I had observed. It was quite a surprise to her and she reassessed herself more generously from then on.

If people are punished for failure they will limit themselves only to taking actions in which they have succeeded before, and growth will come to a halt. How then will the organisation be able to keep up in our fast changing times? This applies outside of work as well. Imagine a child learning to walk who was hit every time it fell down: how long would it take for the child to give up altogether? Consider the potential that would be forfeited, both for the child and the world around it and then translate that into the workplace and imagine the potential that is being lost every day through the blame culture that pervades our workplaces, particularly in Britain.

## The Conflict Continuum

Coaching cultures are by no means conflict free zones. There was a great deal of conflict on a daily basis at Virgin. Meetings were often excited, angry and passionate events. From this experience, I can add two more classifications to the existing models, and they are simply 'good conflict' and 'bad conflict'.



- 'Healthy conflict' requires an atmosphere of trust in which people can safely speak their minds, argue and even have a the occasional shouting match. They need to know that job prospects will not be damaged by disagreeing with the boss, or making the occasional mistake; that people will not be bullied or humiliated; that people will be

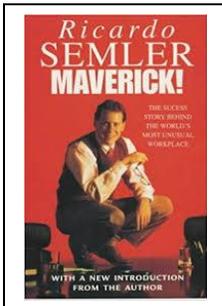
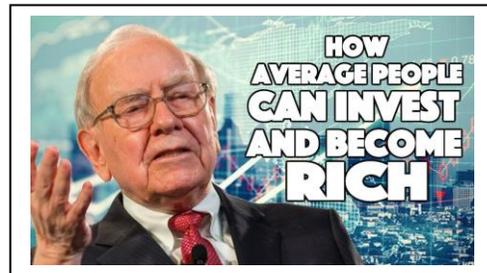
listened to and supported in taking risks. This type of atmosphere builds strong and sustainable relationships.

- 'Unhealthy conflict' is what occurs in an atmosphere of fear and features the type of rows which cause lasting damage to the fabric of relationships.

## Examples of Coaching Cultures

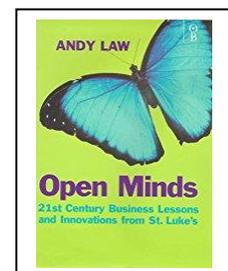
Some leaders who seem to be natural coaching managers are:

**Warren Buffet:** one of the world's richest men, Buffet built his empire by buying chunks of other people's organisations. According to interviews with owners of the organisations he acquired, he leaves managers alone to run their businesses but is always available at the end of the phone. In a coaching culture, there is no need to check up on staff because they will come to the boss when the need presents itself. Just imagine how much time that would save a manager who feels the need to supervise staff through meetings and reports!



**Ricardo Semler:** In the 1980s, Semler inherited the global industry of Semco from his father. He felt there had to be a better way of managing the business than telling his workers what to do (Semler 2001). Respecting their talent and innate intelligence, he handed them control of the organisation, eventually even having people set their own salaries. There were no coaching books or courses for Semler to follow – he had to make it up as he went along and, although he faced a few pitfalls on the way, the new system thrived.

**Andy Law:** Law founded St Luke's Advertising and turned the entire organisation over to its employees, right down to the shareholding (Law 1999).

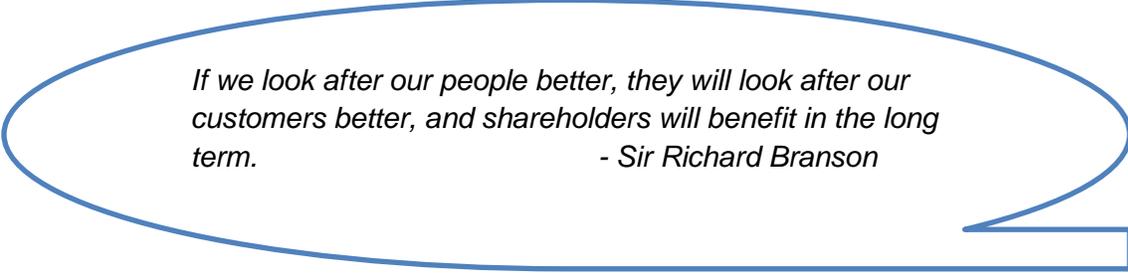


**Ralph Stayer:** In 1980, Stayer commenced a tortuous but rewarding experimental process of enabling his workers to lead his organisation, Johnsonville Sausage (Stayer 1990).



One of the most frequent questions I am asked by organisations is where to start in terms of creating a coaching culture and what pitfalls might they meet along the way. Do not think I am suggesting that anyone should turn their business culture around overnight. Most of the

leaders mentioned above were the outright owners of their companies, had personally recruited the entire workforce in the early years and were each solely responsible for the financial risk. It would not be fair or right to expose someone else's organisation to this level of experimentation, particularly in the public sector. Another issue is that in a corporation there is often a hierarchy to worry about – people may be expected to shoulder the blame for the mistakes of their subordinates. However, respecting the Three Pillars of a Coaching Culture can bring about a gradual improvement in the culture of any organisation, reducing stress and creating a sense of enjoyment among the workers, which results in higher profits for shareholders. In fact one of Branson's sayings is:



*If we look after our people better, they will look after our customers better, and shareholders will benefit in the long term.*  
- Sir Richard Branson

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## Further Information

At Culture at Work we provide global coach training and leadership development programmes at all levels, including C-Suite, for organisations in 33 countries and in all main business languages. We can provide in-house courses by webinar, open coach training courses in London, ILM Endorsed, Level 5, Level 7 and Diploma coach training qualifications, manager-as-coach courses, plus general leadership development and team building programmes.

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An international speaker, writer and broadcaster, Carol Wilson is Managing Director of Culture at Work and a Fellow of the ILM, the Professional Speaking Association and the Association for Coaching, where she is a member of the Global Advisory Panel. A cross-cultural expert, she designs and delivers programmes to create coaching cultures for corporate and public sector organisations all over the world and has won numerous awards for coaching and writing. She is the author of 'Performance Coaching: A Complete Guide to Best Practice Coaching and Training', featuring Forewords by Sir Richard Branson and Sir John Whitmore, and translated into 3 languages; 'The Work and Life of David Grove: Clean Language and Emergent Knowledge'; and 'The Coaching and Feedback Handbook', an internal publication for IKEA. She has contributed to several other books and published over 50 articles including a monthly column in Training Journal.

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