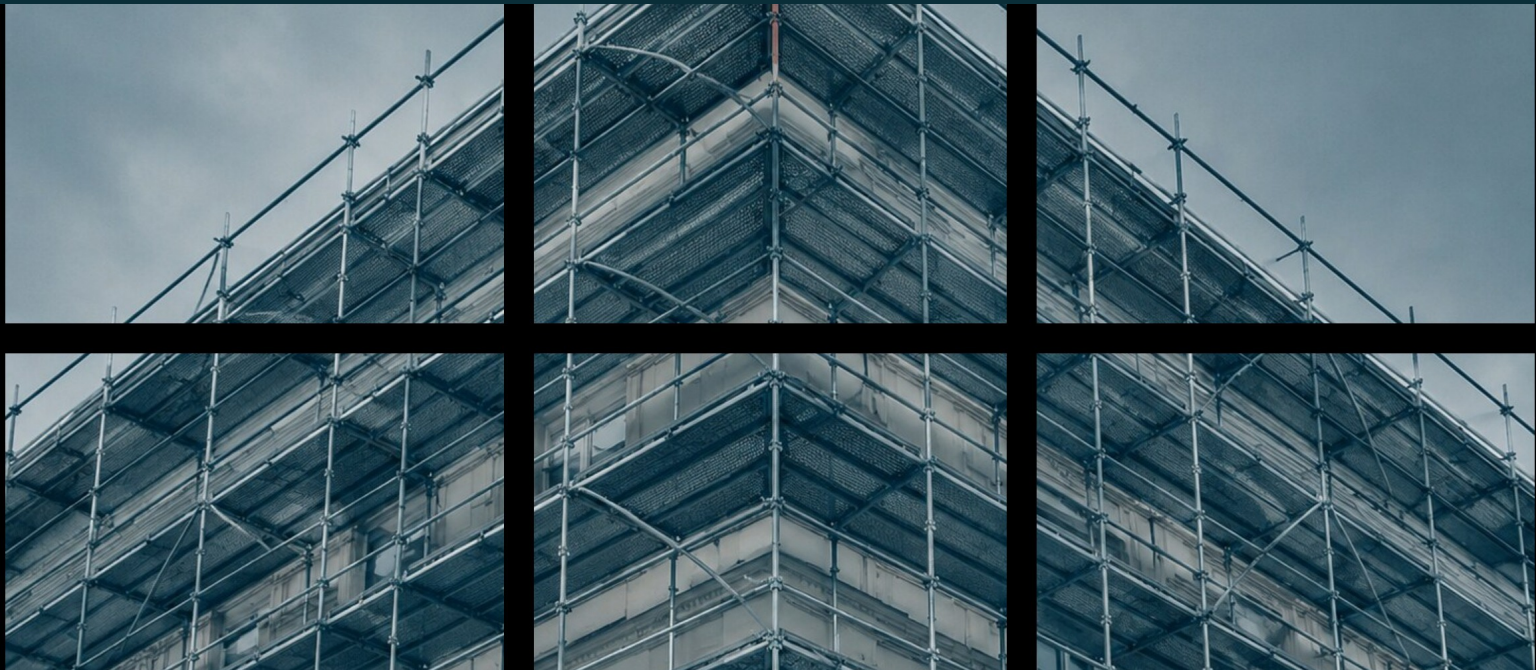


BEYOND THE RITUAL

Ritual or Insight? What the Quarterly Business Review Reveals About How Organisations Change

A Practitioner's Perspective on governance rhythm in organisational transformation



Giovanni Leonardi

July 2008

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Transformation · No. 181

Originally written July 2008 | Re-edited and re-rendered for the WhereBeyond Edition, 2025

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1. Executive Summary

The quarterly business review is one of the most universal rituals of corporate life and one of the least examined. Every large organisation holds one; few can say with confidence what it is for. In principle it is the moment the enterprise stops, looks at itself honestly, and decides what to do differently. In practice it is more often a carefully rehearsed performance in which little is decided and less is changed. This essay is an attempt to sit with that gap — not to condemn the review, but to understand why it so reliably hardens from an instrument of insight into an instrument of reassurance, and what that tells us about how organisations change.

My argument runs in three movements. First, that the review's descent into ritual is not a failure of discipline but a predictable response to what the review is asked to do — it becomes theatre because theatre is safer than truth. Second, that the ritualised review is not merely useless but actively harmful, because it manufactures the appearance of governance while quietly removing its substance. And third, that the review is a remarkably honest mirror: how an organisation runs its quarterly review reveals, more accurately than any strategy document, how it actually makes decisions, tolerates bad news, and relates to its own plans. The review that has become a ritual is telling you something true about the organisation, if you are willing to read it.

2. The Promise of the Review

Begin with what the quarterly review is supposed to be, because the promise is genuinely worth wanting. An organisation sets a direction; it commits resources; then reality intervenes, as it always does. The review is the appointed moment to reconcile intention with reality — to ask what the plan assumed, whether those assumptions held, and what should change now that the world has answered back. Done well, it is the enterprise's mechanism for staying in contact with the truth about itself at a cadence fast enough to matter and slow enough to see the pattern.

There is real wisdom in the quarterly rhythm. A month is too short to distinguish signal from noise; a year is too long to correct a course before the cost compounds. The quarter is a considered compromise — long enough that outcomes begin to resolve, short enough that a wrong turn can still be reversed while it is cheap. The organisations that built this rhythm were not foolish. They were trying to institutionalise the thing that individuals do naturally and enterprises forget: stopping to ask whether the road still leads where you meant to go.

And yet the promise is kept far less often than it is made. The same mechanism that could keep an organisation honest becomes, with remarkable consistency, the mechanism by which it avoids being honest. Understanding why requires looking not at the mechanics of the review but at the forces acting on the people inside it.

3. Why the Ritual Forms

The descent into ritual is usually described as a discipline problem — people stopped preparing properly, the agenda got sloppy, the meeting lost its edge. This is a comforting explanation because it implies an easy fix. It is also wrong. The review becomes a ritual because ritual serves the interests of nearly everyone in the room, and insight serves almost no one.

Consider the position of the person presenting. They are asked to stand before their leadership and report on work they are accountable for. The honest report — this is not working, my assumptions were wrong, I do not yet know the answer — is professionally dangerous in most organisations, whatever the stated culture. The safe report is one of managed progress: difficulties acknowledged but contained, a plan to recover, an overall impression of a competent hand on the tiller. Over time, presenters learn what a good review looks like, and a good review is one that does not alarm anyone. The performance is not dishonesty exactly; it is the rational reading of what the audience rewards.

The review becomes a ritual not because people stop caring, but because they have correctly understood what the organisation punishes. Theatre is what you get when candour is expensive and reassurance is free.

Now consider the audience. Leaders arrive at the review already stretched, already holding more open questions than they can resolve, already aware that reopening a major decision is enormously costly in time, credibility and political capital. A presentation of managed progress asks nothing of them; a presentation of genuine trouble asks them to intervene, and intervention is expensive. There is a quiet, mutual, unspoken bargain available — the presenter offers reassurance, the audience accepts it, and everyone leaves having spent two hours confirming that things are broadly fine. The bargain is attractive precisely because breaking it is hard work.

And consider the plan itself. Once an organisation has committed publicly to a direction, the plan acquires a gravity of its own. To question it in the review is to question the judgement of the people who set it, several of whom are in the room and senior. The path of least resistance is to report against the plan rather than to interrogate the plan — to measure how well the work is conforming to the intention, rather than whether the intention still makes sense. This is the subtle move at the heart of the ritual: the review quietly changes its own question. It stops asking "is this still the right thing to do?" and starts asking "are we doing the agreed thing correctly?" The second question is safer, easier, and almost entirely beside the point.

"The review stops asking whether the plan is still right, and starts asking whether the plan is being followed. The change of question is where the insight dies."

These forces are not aberrations to be disciplined away. They are the default gravitational field of any organisation that has committed to a course and staffed it with people who would prefer not to be embarrassed. Left alone, the review will always drift toward ritual, for the same reason water runs downhill.

4. The Cost of the Comfortable Review

It would be one thing if the ritualised review were merely a waste of a morning. It is worse than that, because it does active harm in a way that is difficult to see precisely because it looks like governance functioning normally.

The first cost is the manufacture of false assurance. A board that has sat through a smooth review believes it has exercised oversight. It has not; it has witnessed a performance designed to make oversight feel unnecessary. The organisation now carries a risk it believes it has examined, which is more dangerous than a risk it knows it has ignored. In the current climate, with credit tightening and demand harder to read than it has been for years, the gap between believed oversight and actual oversight is not an abstraction — it is the space in which unpleasant surprises incubate.

The second cost is the slow death of the organisation's ability to change course. Every review that reports conformance rather than questioning direction reinforces the plan's gravity a little further. Decisions that should have been reopened are instead confirmed; initiatives that should have been stopped are instead continued, because continuation is what a smooth review implicitly endorses. By the time reality forces the question that the review kept declining to ask, the cost of the answer has multiplied. The ritual does not merely fail to catch problems early; it actively defers them to the point of maximum expense.

The third cost is cultural, and it is the most corrosive. People are not fooled by the ritual. The presenters know they are performing; the audience knows it is being performed to; everyone understands, at some level, that the review is not where the truth lives. And an organisation that holds a regular, senior, ceremonial event that everyone privately knows to be theatre is teaching itself a quiet and durable lesson: that the official channels are not for honesty. The real conversations migrate elsewhere — to the corridor, the side meeting, the trusted confidant — and the formal governance of the enterprise is hollowed out from within while continuing to look, from the outside, entirely intact.

- The ritual manufactures assurance the organisation has not earned.
- It defers necessary course corrections until they are ruinously expensive.
- It teaches the enterprise that its formal channels are not where truth is told.

5. The Review as a Mirror

Here the essay turns, because there is a more useful way to regard the ritualised review than simply to lament it. The review is one of the most revealing artefacts an organisation produces. How a company conducts its quarterly review is a remarkably faithful portrait of how it actually makes decisions — not how its strategy documents say it does, but how it really does, under the pressures that operate when something is at stake.

Watch closely and the review answers questions that no one would answer honestly if you asked them directly. Does this organisation tolerate bad news? Watch what happens in the

room when a genuine problem is raised — whether the temperature rises and the messenger pays, or whether the problem is met with curiosity. Does it hold its plans as commitments or as hypotheses? Watch whether the review measures conformance to the plan or tests the plan against reality. Does authority in this organisation flow to those who understand the work or to those who present well? Watch who is believed. The review is a compressed, quarterly enactment of the organisation's real operating culture, and it repeats often enough that the pattern is unmistakable to anyone willing to look.

This is why the review matters so much more than its content suggests. A transformation programme can publish handsome principles about candour, empowerment and evidence-based decision-making, and none of it means anything until you see how those principles survive contact with a quarterly review under pressure. The review is where the espoused culture and the actual culture are forced into the same room. Where they diverge — and they almost always diverge — the review shows you, precisely and repeatedly, the real one.

There is a further implication, and it is the practical heart of the matter. If the review is a mirror of how the organisation changes, then you cannot fix the review by fixing the review. Redesigning the agenda, tightening the templates, importing a fashionable meeting format — these treat the symptom. The ritual is downstream of the culture that produces it: the intolerance of bad news, the gravity of committed plans, the cost of intervention. Change only the meeting and the same forces will reconstitute the ritual inside the new format within a year. The review will always drift back toward whatever the organisation actually rewards.

6. What a Living Review Would Require

This is not counsel of despair. Reviews that stay alive do exist, and what keeps them alive is instructive precisely because it is so demanding. They share a small number of features, and none of them is a technique.

The first is that the plan is genuinely held as a hypothesis rather than a promise. In a living review, discovering that the plan was wrong is treated as the review succeeding, not failing — because catching a wrong plan early is exactly what the mechanism is for. This requires the most senior people in the room to model it personally, by reopening their own past decisions without defensiveness. It cannot be delegated or mandated; it can only be demonstrated, repeatedly, until the room believes it.

The second is that the review has real consequences — that it can actually stop, redirect or refund work. A review that can only note and endorse is structurally incapable of insight, because insight without the power to act is merely interesting. The authority to change a decision has to be present in the room, and it has to be used often enough that everyone knows it is real.

A review that cannot change a decision is not governance; it is theatre with a quorum. The power to stop the work is what separates a review that steers from a review that merely watches.

The third, and hardest, is that the organisation must make candour cheaper than reassurance. This is the deep work, and it is the work of years, not agendas. It means visibly rewarding the presenter who brings the early bad news over the one who brings the polished recovery story. It means senior people receiving unwelcome truth with

evident gratitude rather than evident irritation, every time, until the room stops flinching. As long as the honest report is more dangerous than the reassuring one, the review will be a ritual, and no amount of process design will rescue it. The mechanism follows the incentive, always.

7. Closing: Reading the Ritual Honestly

The quarterly business review, then, is not the small procedural thing it appears to be. It is where an organisation's relationship with the truth about itself is enacted, quarter after quarter, in front of witnesses. When it hardens into ritual — as, left to itself, it always will — the ritual is not noise to be tuned out. It is a signal, and a precise one, about how the organisation handles bad news, how tightly it grips its plans, and where its real decisions are made.

The most useful thing a leader can do with a ritualised review is not to redesign it but to read it. Ask why the theatre is comfortable, and the answer will lead directly to the parts of the culture that most need attention — the intolerance, the plan-gravity, the migration of honesty to the corridor. In this sense the review is a gift, if an uncomfortable one. It offers, four times a year, an accurate account of how the organisation actually changes, written in the one language organisations cannot easily fake: what they do when something real is at stake and everyone is watching. The question is never really whether the review is ritual or insight. It is whether the organisation is willing to treat the ritual itself as the insight.