

Leading change essay



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John P. Kotter is internationally known and widely regarded as the foremost speaker on the topics of leadership and change. He is the premier voice on how the best organizations actually achieve successful transformations. The Konosuke Matsushita Professor of Leadership, Emeritus at the Harvard Business School and a graduate of MIT and Harvard, Kotter's vast experience and knowledge on successful change and leadership have been proven time and time again. The book *Leading Change* looks at an eight stage process for implementing successful transformations in today's firms as well as the eight errors that are common to change efforts.

The ideas and methods in this book should be considered a roadmap to successful change for any manager or leader in today's modern organizations. *Leading Change* is broken up into three parts. Part one begins by discussing the potential downside of change and the eight errors commonly made during transformation efforts and their consequences. He then goes into detail on the economic and social forces that drive the need for major change in today's organizations. This is also where Kotter introduces his eight step process for creating change.

In Part two Kotter goes into great detail about his eight step process for successful change highlighting what to focus on and avoid at each step of the process. Part three looks at the implications for the 21st century, he goes into detail about the organization of the future and talks about sustaining that success through leadership and lifelong learning. "The Change Problem and its Solution". Kotter starts off in chapter 1 by highlighting the eight most common mistakes or errors that prevent successful change efforts.

He does note that there are a few organizations that have been successful and positioned themselves for a better future but the bulk have failed miserably. The eight common errors Kotter states are the contributing factor are: (1) Allowing too much complacency; (2) Failing to create a sufficiently powerful guiding coalition; (3) Underestimating the power of vision; (4) Under communication the vision by a factor of ten (or 100 or even 1000); (5) Permitting obstacles to block the new vision; (6) Failing to create short-term wins; (7) Declaring victory too soon; (8) Neglecting to anchor changes firmly in the corporate culture.

Kotter notes none of these change errors would have been that costly in a slower moving and less competitive world. This however is no longer the case; in the 21st century business moves quickly and will only become more volatile in the future. Making any of the aforementioned errors in the transformation change process will have dire consequences. These consequences as stated by Kotter include that new strategies are not implemented very well, acquisitions don't achieve the expected synergies, reengineering takes too long and costs too much, downsizing doesn't control; costs and quality programs don't deliver the anticipated results.

Awareness of these issues is the key, and then they can be avoided or at the very least greatly reduced. If the change leaders have a better understanding of why the organization may resist the needed change, what needs to be done to overcome it and mostly how the leadership is required to drive the process the change has every chance at success. In chapter 2 "Successful change and the force that drives it" Kotter discusses the

economic and social forces that drive the need for major change in today's organizations and introduces his eight step process to realize that change.

A globalized economy has created more hazards as well as opportunities and has forced companies to make dramatic improvements to compete, prosper and more importantly survive. Technological change, international economic integration, maturation of markets in developed countries, and the fall of communist and socialist regimes have all contributed to the globalization of markets and increased competition. Although there are more hazards like increased competition and rapid change there are also more opportunities such as a bigger market and fewer barriers.

To avoid these hazards and capitalize on the opportunities the companies of today need to become stronger competitors. To become the 21st century organization that will succeed some of the transformations needed include reengineering, restructuring, quality programs, mergers and acquisitions and strategic and cultural change. Useful change is often associated with a multi-step process that creates power and motivation significant enough to overwhelm all the sources of inertia and driven by high quality leadership and not just management.

Kotter states that the eight steps required to produce successful change are; (1) Establishing a sense of urgency; (2) Creating the guiding coalition; (3) Developing a vision and strategy; (4) Communicating the change vision; (5) Empowering broad-based action; (6) Generating short term wins; (7) Consolidating gains and producing more change; (8) Anchoring new approaches in the culture. Kotter goes on to suggest the first four steps in

the process serve to defrost a hardened status quo, steps five to seven introduce new practices and the last phase grounds the change in the corporate culture.

It's important to go through all of the steps in sequence however normally one operates in multiple phases at once. To skip a step or get too far ahead without the establishment of a solid base will almost always lead to problems. There are usually many forces at work that create a dynamic, complex and messy change environment. This is why leadership is considered so critical and not just management. Management is a set of processes that can keep a complicated system of people and technology running smoothly.

Leadership is a set of processes that creates organizations in the first place or adapts them to significantly changing circumstances. Leadership is what defines what the future should look like. It aligns people with a vision and inspires them to make it happen despite the many obstacles. As Kotter describes the over managed and under led corporate culture I can help but think of the organization for which I work. We hold a very dominant position in our established market, and have almost become arrogant to our success. What made us a market leader no longer seems to be a focus; we seem to be content with what we've achieved.

As I watch our competitors make strides in market share, develop product innovations and look to the future we seem blissfully ignorant to the situation. We, in my opinion are without the leadership Kotter describes that's required to continue to remain a successful and viable organization

and am concerned that by the time our so called leaders realize this it will be too late. In chapter three we begin to examine the first of the eight steps in the creation of major change. Step 1 “ Establishing a sense of Urgency” is critical in gaining the needed cooperation to succeed.

Why do we need to create a sense of urgency? If there is no sense of urgency you won't be able to establish the needed momentum to drive the change throughout the remaining steps. There are many sources of complacency that will staunch progress. No visible crisis, human nature, a lack of sufficient performance feedback or internal measurement, and narrow organizational structures to name a few. Kotter notes that over half of the companies he's observed over the years haven't been able to create enough urgency to prompt action.

In many cases the established leadership can be blinded by a false sense of security and don't want to be bothered. The old adage “ If it aint broke don't fix it” can be the catalyst for these leaders to avoid or prolong change efforts. What's needed is a way to raise the urgency level, create a crisis, remove examples of excess, set targets to high to reach, hold people accountable for measures beyond their norm, more honest discussions about the company's inability to reach new goals that are out there. This type of open honest communication and visibility will generate the kind of urgency needed to begin the change process.

This however isn't enough; unless there are drivers for change in the established leadership change will never come into organizations. After establishing a sense of urgency the second stage in the change process is “

creating a guiding coalition”. Now these types of major transformations can be often associated with one highly visible individual but it’s not the case. Due to the difficulty and complex nature of change no one individual is able to accomplish or sustain the change process. In order to trigger change within an organization it’s important to build a strong guiding coalition.

In putting together the guiding coalition there are four key characteristics deemed to be essential. Having enough key players, expertise, credibility and leadership is the key. The last characteristic “ leadership” is of particular importance, a combination of leadership and management skills keeps the process under control with the leaders driving the change and managers controlling the process. The two most critical characteristics of a successful team is trust amongst its members and the sincerity of the committee to work towards a common goal. Kotter goes on to assert that trust is fundamental in creating a shared objective.

Also, to bind a team together commitment to excellence and a strong desire to maximize performance of the organization are the typical drivers. In short, Kotter states that the right people, creation of trust, and a common goal are what’s needed to build a guiding coalition. Once the guiding coalition has been built the development of a vision and strategy is the next stage in the process. Kotter states that a good vision not only motivates it inspires. A good vision will serve three purposes; clarifying the direction of change, motivation to take action in the right direction and coordinate the actions of different people. Because people often disagree on direction clarifying the direction of change will help resolve these differences. Motivation to take action in the right direction is important as it’s not always in the employees

short-term self interests. The coordination of actions allows for a shared sense action allowing for more efficiency. A solid vision is the only approach that will allow you to break through the resistance that is present in any organization. Vision becomes a measure that filters decisions for managers and clarifies the direction of the company.

Kotter notes that a vision must be kept simple so that everyone can understand them. His “ Rule of Thumb” is that if you can’t describe your vision to someone in five minutes and gain their interest you may have more work to do for the transformation process. The next stage in the process is “ Communicating the Change Vision Effectively”. Kotter suggests that the leadership should estimate how much communication of the vision is needed and then multiply that effort by a factor of ten. Not just having enough communication will suffice, having the right messenger to deliver this new vision of change is very important.

The vision needs to be understood by everyone, it needs to be simple and free of jargon, inspire and make everyone understand they’ll benefit from the change. You need to be sure to use as many different forms as you have at your disposal to communicate the vision, and do it as much as possible. The leaders of change need to be seen as “ walking the walk and talking the talk” as people tend to be impressed by action. If there are any inconsistencies between the vision and perception they need to also be addressed through this communication process. Lastly we need to make sure that the communication of this vision is a two way process.

Open communication and solicited feedback can assist you in potentially identifying any problems in the vision. The people that are assisting in making the change but are not necessarily leading it can offer assistance and maybe identify an issue that needs to be corrected before it's too late. We've now looked at the first four steps that Kotter states serve to defrost a hardened status quo, the next three steps introduce new practices and the last phase grounds the change in the corporate culture. Next, as new practices are introduced Kotter discusses the empowerment of employees for broad based action.

Now although the term “ empowerment” is widely and in some cases overused the concept can't be overlooked when implementing change efforts. Removing the barriers to empowerment is necessary to give power to a broad range of people. Kotter describes four obstacles that need to be attacked in order to empower people which are structures, skills, systems and supervisors. Structure, although not considered to be the biggest barrier in the early stages can undermine the vision by disempowering the people. The next step in empowerment is providing the needed training. Too often during major change efforts training is provided but often isn't enough.

Employees are expected to change but aren't always provided the tools to do so. By aligning the systems to the vision the change process the change process can be a more efficient and less timely process. Having the right supervisors is also key in empowering the workforce; supervisors who embrace change, empower their employees and see the vision are worth their weight in gold with regards to the change process. In chapter eight Kotter goes on to explain the value in creating short-term wins and their

impact on the change effort. Because real transformation takes time the potential for loss of momentum and disappointment become factors.

He goes on to state that generating short term wins allow a better chance of actually completing the change effort. However, these short term wins are only effective if they're visible throughout the organization. Short term wins serve to provide evidence that the efforts and sacrifices are worth it. The rewards of these wins will help to build moral and motivation to see you through the entire change process. A short term win provide much needed data and provide validity on the change effort while stifling the critics and combatants to the change.

These short term wins will also provide evidence to those higher up in the organization that the transformation is on track and will also serve to build momentum throughout the remainder of the process. Kotter goes on to discuss consolidating gains and producing more change which is the last step in the introduction of new practices before we move onto looking at grounding the change in the corporate culture. As you conduct long term changes one of the main problem organizations run into is declaring victory too soon. Company's CEO's and high level executives have derailed some change initiatives by doing just that.

While it's recognized that celebrating these small victories is important to the change process putting too much emphasis on the m can produce a false sense of security and derail the effort required to see change through to completion. Kotter goes on to highlight the five steps to success in step seven of a change process. First, introduce more and increasingly

challenging projects and then bring in more help to insure its success. Senior management must continue to provide a strong focus on the purpose of the change effort. Identify and eliminate interdependencies and seek leadership from the lower ranks in the projects.

Now that the new practices have been introduced Kotter takes us into the last phase which is grounding the change in the corporate culture. In chapter ten Kotter introduces his concept of anchoring these new approaches into the culture of the organization. As in any organization the common practices become the “ norm” and makes then very hard to remove or change. Now if you fail to make the inherent changes at this point of the process it will most certainly lead to failure. Even simple habits or processes that seem insignificant or even easily overlooked can impede change.

Kotter looks at the corporate culture as being made up of both norms of group behavior as well as the shared values of the organization. Kotter goes on to look at the three reasons why culture is difficult to change in an organization. First, because individuals are selected and indoctrinated so well, Secondly, because the culture exerts itself through the actions of hundreds or even thousands of people. Lastly, because all of this happens without much conscious intent and is therefore difficult to challenge or even discuss. How does a change leader attack these issues?

Kotter recommends that they be treated like living things and eventually all living things have to die. He goes on to provide an example of this with a story of a eulogy provided by the GM of a company who was lying to rest their old work practices. It was thoughtful, touching, difficult for some but

necessary to move on. His final point is that cultural change although difficult must come last and he offers some insights to keep in mind when anchoring change in the corporate culture. It needs to come last, is dependent on results, requires a lot of talk, may involve turnover and makes decisions on succession crucial.

With the many changes in the world today it becomes more difficult to predict where the organizations of the future will be headed. Kotter does state that future organizations must possess certain traits if they are to succeed in the 21st century. One of these traits is a distinct and organization wide sense of urgency. Kotter describes quite frequently throughout the book the necessity of future businesses to eliminate complacency. In today's market companies are going to be forced to make changes quickly and frequently and a sense of urgency will be the best weapon to combat complacency.

Another critical attribute is a higher level of cooperation or “teamwork at the top” as he describes it. When the essential players in a change transformation work together it's easier to move in the right direction and effect the change. These “players” also have to be able to effectively build and communicate the company's vision; a well defined and well communicated vision is more likely to gain the acceptance of those that will be the driving force in the change. Kotter goes on to discuss the importance of what he calls “broad based empowerment” and “delegated management”.

For future organizations time is a valuable commodity and likely not something they will be afforded the luxury of having. By establishing a broad leadership base and effective delegation, the decision making process will become a much faster and more efficient. Becoming adaptable will be the key for the future, the need for change isn't always predictable and in today's fast paced world it's necessary to stay flexible and ready for change in order to succeed. Kotter concludes his book by discussing the life-long learning required by the leaders of today.

He sees this as the key to maximizing ones potential and can be done at any stage of life. Some of the key characteristics that are exhibited by these lifelong learners are the propensity to take risks, humble self reflection, and aggressive solicitation of opinions from others, carefully listening and the openness to new ideas. Through the use of these techniques these lifelong learners are able to fully exploit the benefits of compounded learning and eventually become the transformational leaders needed in the 21st century organizations.

In conclusion, Kotter's book "Leading Change" and the eight stage process he highlights for successfully implementing change has had in my opinion a significant impact. From some of the reviews and comments I've read a large number of manager and consultants have found it to be a very useful tool in transforming change. In reading this book I've found that there are a number of positive features in his model and I can see how it can lead to avoiding the issues he outlined and would help lead to an increased chance of effective and successful change.

However, I still find I have a number of questions with regards to the actual application of the changes Kotter describes. I think it would have been very beneficial to the readers of this book to see some real life examples of how exactly some of these changes were implemented. Although it's helped me to better identify the framework needed to implement successful transformational change I find myself wondering how exactly to proceed? Another thing that I found myself questioning as I was reading the eight stages was the requirement for all of them in every change and whether or not they really need to be followed in the same order?

I guess I don't necessarily agree that every change requires an eight step process. It's definitely a checklist that can be relied upon as you move through change but what if the change necessitates a modification in the process? As he himself describes change can be unpredictable but there seems to be nothing built into the model that would allow for that. The model is built at a very high level but doesn't necessarily address the daily challenges and intricacies that are brought on by change.

The framework will definitely be beneficial in the change process and will absolutely help leaders and managers in identifying potential problem areas. While I believe Kotter's model would be a great starting point for beginning transformational change in any organization I don't think it should be thought of as the only consideration. What reading this book had done for me is establish the base I need to lead change and made me hunger for more information and tools to further develop the skill I need to become a successful agent of change in the future.