

Leading Change by John P. Kotter

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Significant change has grown tremendously in organizations during the past two decades due to powerful macroeconomic forces. Whenever human communities are forced to adjust to shifting conditions, pain is ever present. Some of the most common errors when transforming an organization are: (1) Allowing too much complacency, (2) Failing to create a sufficiently powerful guiding coalition, (3) Underestimating the power of vision, (4) Under communicating the vision by a factor of 10x-100x, (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.

These errors amplify in a rapid moving competitive world, can be mitigated, and possibly avoided. There are many factors necessitating organizational change including technological, international economic and opening market forces. They create both more hazards and opportunities for organizations. Useful change tends to be associated with a multi-step process that creates power and motivation significant to overwhelm all the sources of inertia and is driven by high quality leadership, not just excellent management.

Based on the errors in leading change Kotter breaks down the process of creating and leading change within an organization into an Eight-Stage process of leading change:

- (1) **Establishing a sense of Urgency:** helping to overcome most sources of complacency.
- (2) **Creating a guiding coalition:** Putting together a team of people with enough power to lead the change; getting the group to work together as a team.
- (3) **Developing a vision and strategy:** Creating a clear and concise vision that will help direct the change effort, and develop strategies for achieving that vision.
- (4) **Communicating the changed vision:** Using every vehicle possible to constantly communicate the new vision and strategies; ensuring that the guiding coalition role model the behavior expected of employees.
- (5) **Empowering broad-base action:** Getting rid of any obstacles which threaten the project, removing systems or structures that undermine the change vision and encourage risk taking in non-traditional ideas and activities.
- (6) **Generating short-term wins:** Planning for visible improvements which can be implemented during the course of the project, deliver these "wins" and publicly recognize/reward those who made them possible.

(7) **Consolidating gains and producing more change:** Using credibility gained from early “wins” to bring other structures and processes into alignment with the change vision, getting the people who can and will implement these new changes, and re-invigorate the process with new projects and themes.

(8) **Anchoring new approaches in culture:** Creating better performance through customer and productivity oriented behavior, better leadership and more effective management; articulating the links between the new behavior and organizational success.

Kotter emphasizes that it is important to go through all eight stages in sequence; however, normally one operates in multiple phases at once. A purely linear, analytical plan is likely to fail. There are many forces at work creating a dynamic, complex and messy environment. This is why leadership is so critical, 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 defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles.

With the many changes occurring in the world today, Kotter describes the difficulty of predicting where the businesses of the future are headed. He, however, does affirm that future organizations must possess certain fundamental traits if they intend to survive in the 21st century. One such trait is a distinct organization-wide sense of urgency.

Kotter mentions, as he does frequently throughout this book, the necessity of future businesses to eliminate complacency. Organizations will be forced to make changes often, and a sense of urgency is the best tool to counter this complacency, as it often allows employees to better cope with frequent change. Another essential attribute is higher level cooperation or “teamwork at the top” as Kotter describes it. It is no secret that when the essential members of an organization work together, it is easier to get that organization moving in the right direction and, therefore, successfully implement change. These individuals must also be able to effectively build and communicate vision. When “high-ranking” members of an organization are consistently working as a team as well as acting upon a well-developed and well-communicated vision, it is much more likely that those beneath them will follow their example.

Kotter goes on to outline the importance of what he calls “broad-based empowerment” and “delegated management.” Time is a valuable commodity, and the likelihood that future corporations will have it in abundance is slim at best. A broad leadership base coupled with effective delegation will make communication and decision-making much faster and more efficient processes. To piggyback on this point, Kotter maintains the necessity of future organizations to possess limited levels of interdependence. Such interdependence should be kept at a minimum, as unnecessary departmental, group, and individual interdependence only slows things down within an organization.

Finally, Kotter asserts the overwhelming importance of corporate adaptability. A need for change is not always predictable, and in the modern fast-paced world, it will be necessary for organizations to remain flexible and ready to implement change.