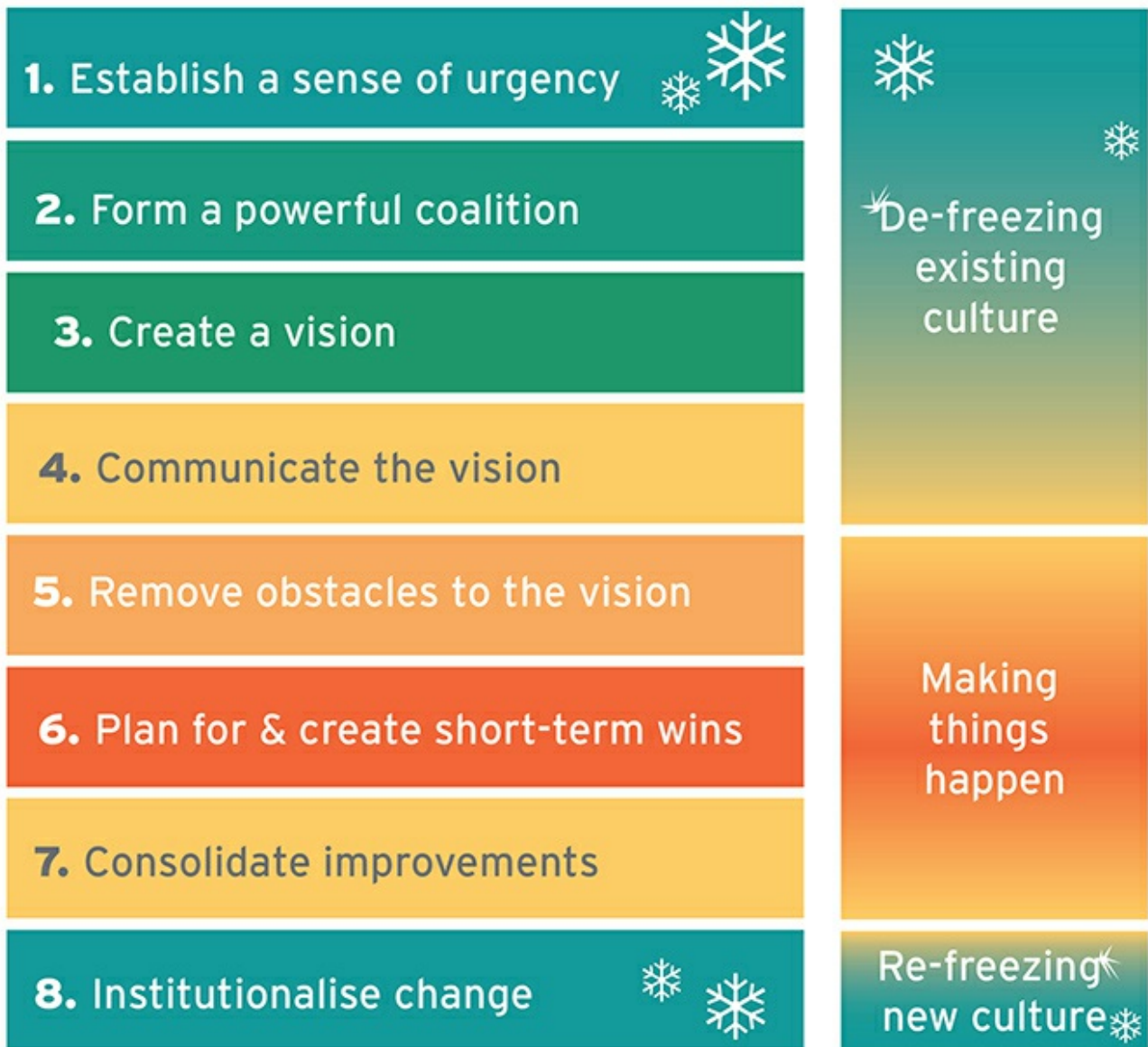


John Kotter on Transformational Change

As Konosuke Matsushita Professor of Leadership at Harvard Business School, John Kotter is regarded as one of the world's foremost experts on leadership and transformational change. Kotter argues that around 70% of all major change efforts fail, often because organisations do not take the holistic, long-term approach needed to see the change through successfully. This article takes a detailed look at Kotter's classic Eight Step Change Model, which has helped many organisations achieve successful change.

Kotter's Eight Step Change Model

Kotter introduced his model in the 1996 book *Leading Change*. [1] It outlines eight steps which organisations can follow to increase the likelihood of successful transformational change. As illustrated in the diagram below, the first four steps aim to **unlock** or **de-freeze** the organisation's existing culture, firstly by creating a strong sense of **urgency for change**, secondly by assembling a powerful group or **coalition** to lead the change process, thirdly by developing a desirable **vision** of the future and fourthly by **communicating the vision** effectively. Steps five, six and seven help to make the change a reality by **removing obstacles** to the vision, **creating short-term wins** and **consolidating successes**. The final eighth step then **re-freezes** the organisation's new culture by **anchoring positive behaviours** into the new culture and values of the organisation. [2]



Step 1: establish a sense of urgency

The first step in the process of successful transformational change is about helping people across the organisation **understand the need** for change. Without widespread support right at the beginning of the change process, it is likely to fail. A common mistake is that leaders can underestimate the difficulty of driving people out of their **comfort zones**, and often **lack the patience** needed to build an appropriate sense of urgency.

To address this, Kotter says that the change leader (who should ideally be the organisation's chief executive or someone of significant seniority) should clearly explain the **problem(s) with the status quo** to employees. They should also identify why things cannot remain as they are (e.g. pressure from new competitors or products, falling profits, shrinking market share etc.). Particular attention should be paid to making sure that people understand the reasons for the change and the part they will

play in the overall process.

A further problem is that people can become **disillusioned** by the often unpleasant realities of change. To combat this, change leaders need to '*aim for the hearts*' of their employees when making the business case for change. Although the case must be based on solid market research and environmental data, a greater sense of urgency will be achieved by relating the change to **human experiences** and using **messages** which are **simple yet imaginative**, and which provide a powerful **call to action**.

Step 2: form a powerful coalition



The second step in Kotter's model is about **bringing together the right people** to make change a reality. Although many transformational change processes start with just a few people, many more need to lend their support to make the change a successful one. Kotter calls this influential group the **guiding coalition**. Without the right people on board from an early stage, the change effort is likely to fail. Kotter says that in the most successful cases, the guiding coalition has five key qualities:

1. **Position power.** There should be enough of an organisation's **key players** on board so that those who are not involved cannot block progress.
2. **Expertise.** All areas of the business should be represented so that **decisions** about the development and implementation of the change strategy are **informed** and **evidence-based**.
3. **Credibility.** Members of the guiding coalition should have sufficient **credibility** across the wider business so that the change effort will be **respected** and taken seriously.
4. **Leadership.** The guiding coalition should contain a number of **proven leaders** who can effectively **drive** the change process.
5. **Trust.** The coalition members must have **trust** in one another and develop a **shared overall goal**. This does not happen overnight, so Kotter recommends team-building sessions (away from the everyday workplace) to help people connect with each other and develop a shared sense of what they want to

achieve.

It may not be possible to convince everyone in an organisation that the chosen approach is the right one. However, establishing a powerful coalition of influential people to get behind the idea is vital for getting others on board.

Step 3: create a vision

This element of the change process is about **describing how the organisation's future will be different from the status quo**. A common leadership error is failing to establish a compelling vision for the change programme as a whole. Without a clear vision, a transformation effort can quickly degenerate into a list of confusing and incompatible projects that can take the organisation in the wrong direction, or nowhere at all. Kotter says that for a vision to be effective it should be:

1. **Imaginable**. The vision needs to convey a **clear picture** of what the future will look like.
2. **Desirable**. It must **appeal** to the long-term interests of employees, customers, shareholders and other key stakeholders.
3. **Feasible**. It should have realistic and attainable **goals**.
4. **Focused**. The vision must be clear to guide decision-making.
5. **Flexible**. The vision should allow for individual initiative and alternative responses in light of fluctuating market conditions.
6. **Communicable**. It must be easy to communicate and explain. Kotter says that if the vision cannot be communicated in five minutes or less, and provoke a reaction which shows that it has been understood and sparks interest, then it is too inaccessible.

Step 4: communicate the vision

This phase of the change process ensures that as many people as possible **understand** and **accept** the vision. Successful change leaders maximise **every available communication channel** to broadcast the vision across the whole organisation. This is particularly important if downsizing and potential job losses are part of the approach. A common failing at this point is that change leaders often vastly underestimate the amount of communication that is needed to capture the hearts and minds of employees. Whether the communication is via presentations, briefing sessions with employees, in internal company newsletters, intranets or blogs, the messages need to be **consistent** and **clear** so that they are easily understood.

Effective communication needs to come in the form of **deeds** as well as **words**. The **positive actions** of the guiding coalition should therefore be used to **model the behaviours** needed across the organisation. Kotter calls this *'walking the talk'*, where senior leaders behave in a way which is consistent with the new vision and culture. Furthermore, managers who communicate the change effectively are those who can incorporate it into their **hour-by-hour activities** and **discussions** with employees.

Step 5: remove obstacles to the vision



This step of the change process is about **empowering people** to make it a reality, and removing as many **barriers** as possible to allow this to happen. These barriers may be tangible obstacles such as the organisation's **structure, remuneration** or **performance appraisal systems**, or **unwilling individuals in management positions**. A problem at this stage is that change leaders can sometimes fail to identify and remove potential obstacles, which then become permanent blockages that prevent the strategy from moving forward. Leaders therefore need to be able to remove or adapt systems, structures, processes and even people who undermine the vision. Furthermore, people can be empowered to drive change by encouraging more **risk-taking** (within clear limits) and generating **new ideas** and **activities** to support it.

Step 6: plan for and create short-term wins

This phase is about **creating visible short-term wins** to keep the momentum of the change process going. With large-scale transformational change projects, strategy implementation can take a long time, during which motivation and momentum can begin to wane. Kotter says that visible evidence of success is vital for maintaining motivation, especially within the first year of a change programme. However, problems can occur when change leaders **don't systematically plan** for and create achievable **short-term wins**. These are important milestones, where the employees involved can be **recognised** and **rewarded** for their efforts.

Step 7: consolidate improvements

The penultimate step in Kotter's model is about **consolidating progress** and **driving the changes forward**. Kotter argues that a successful transformational change process can take up to 10 years to be fully embedded. However, if the change team is impatient, or there isn't a great enough sense of urgency, victory might be declared too soon. Premature celebrations often kill momentum and breed complacency within organisations. When this happens, old habits and resistance start to creep back in, undoing the good work achieved so far. At this point in a successful change initiative, effort and activities should increase with:

- **more projects** introduced to invigorate and embed the change deeper within the organisation
- **additional people** and **change agents** brought in to implement the changes – by hiring, promoting and developing key people to take projects forward
- senior leadership focusing on giving **increased clarity** to the vision and purpose of the change programme
- employees at all levels being **empowered** to lead and take projects forward
- changes to existing **systems, processes** and **structures** which don't fit the vision of the future
- consistent, regular **proof** used to **demonstrate** that the 'new way' is working effectively (e.g. improved performance, cost savings, market position etc.)

Step 8: institutionalise change

The final step in Kotter's model is about embedding the changes deep within the organisation's new culture. A common error during strategy implementation is **not anchoring new behaviours** into the culture, values and daily practices of the organisation. If employees don't begin to see the benefits of change, and senior management don't understand and personify the new approach, people can easily slip back into old habits. According to Kotter, the changes need to become '*the way we do things around here*' so that they are embedded as part of the organisation's new culture. Existing traditions, norms and practices are powerful forces against change, but through the process of change organisations can create new traditions which will **stick** for both existing and new employees.

Some important caveats

While Kotter's eight steps are undoubtedly a great starting point for leaders and managers responsible for achieving successful organisational change, it is important to be aware of the model's **limitations**:

1. A number of commentators have pointed out the **rigidity** of Kotter's approach. [3] Kotter argues that his eight steps must be followed in order, and that if the steps overlap too much it can harm the potential success of the whole change initiative. However, this is rather a **mechanistic** approach. Sometimes, the desire to '*stick to the plan*' can cause problems, particularly where change throws up unexpected challenges. It is therefore important to be aware of the bigger picture in your organisation throughout the change process, and to build some flexibility into your plans. You can do this by regularly 'sense-checking' where you are in the process, and considering how changes in the organisation's internal and external landscape may be affecting progress.
2. Another issue to be aware of is that Kotter's model describes a **top-down approach** to change management, which may not be suitable for some organisations. Kotter's experience in change management has been gained as a result of working with big corporations to deliver large-scale change. In the model, change is driven down from the top of an organisation, notably by a senior **guiding coalition** responsible for initiating and sustaining high level support for change. In practice, a top-down approach may not always filter down to the lowest levels of the organisation, particularly where key changes in behaviour are required. Depending on your organisation's size and the prevailing culture, a combination of top-down and bottom-up activities may be more appropriate. For example, consider how you might create opportunities for more direct employee participation in the decision-making process. Why not tap into localised knowledge by asking groups of employees or teams to investigate how they could make the vision for change a reality for their area? [4]

3. Some parts of the model have been criticised for their **lack of detail**, particularly where it comes to the **people elements** of change. Indeed, Kotter himself has said that the core problems organisations face when implementing his eight steps are not to do with *'strategy, structure and systems'*, but rather about *'changing the behaviour of people.'* [5] Although dealing with resistance to change and garnering lasting commitment are critically important aspects of the change process, the model has been criticised for the lack of detail in these key areas. If you are responsible for managing change, it is essential that your plans take account of the likelihood of employee resistance and how this will be addressed.

Conclusion

Kotter says that no large-scale change effort is easy. Even successful change programmes often don't turn out completely according to plan. Kotter's model identifies the eight most common errors that can occur during transformational change. It also explains what an organisation's change team can do to avoid them. By following Kotter's roadmap, organisations will greatly increase the likelihood of successful change.

[1] John Kotter, *Leading Change*, (Harvard Business School Press, September 1996).

[2] Kurt Lewin originally proposed a three stage theory of change commonly referred to as **Unfreeze, Change, Freeze** (or **Refreeze**). K. Lewin, *Field Theory in Social Science*, (Harper and Row, 1951).

[3] Steven H. Appelbaum, Sally Habashy, Jean-Luc Malo, Hisham Shafiq 'Back to the future: revisiting Kotter's 1996 change model' *Journal of Management Development*, Vol.31, Issue: 8, pp. 764 - 782 (2012).

[4] Leadership Now Leading Blog, 'Top Down Change' 28 January 2008. Available at: www.leadershipnow.com/leadingblog/2008/01/topdown_change.html, (accessed September 2013).

[5] John Kotter and Dan Cohen, *The Heart of Change: Real-Life Stories of How People Change Their Organizations*, (Harvard Business School Press, 2002).

[6] Dr. Lauchlan A. K. Mackinnon, 'Book Review: John Kotter on Change Management', 30 June 2007. Available at: www.think-differently.org/2007/06/book-review-john-kotter-on-change, (accessed September 2013).

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