

KING OF CHANGE

How can project managers help their organisations navigate today's most complex challenges?

SALLY PERCY spoke to change guru Dr John Kotter for his insights



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In the world of change management, Harvard professor Dr John Kotter is royalty. Widely considered the foremost authority on the topics of leadership and change, he is a prolific writer who has authored 20 books, including 12 bestsellers. His seminal work, *Leading Change*, first published in 1996, remains the go-to guide on change management. It outlines a practical, eight-step process for managing change, from establishing a sense of urgency to anchoring new approaches in an organisation's culture. More than a million copies of the book were sold within the first 10 years of publication. In 2011, *TIME* magazine listed it as one of the top 25 most influential business management books of all time.

The question of why some organisations do so much better than others has fascinated Kotter throughout his career, and continues to do so today. His interest was first sparked 50 years ago when he belonged to a college fraternity at the Massachusetts Institute of Technology

(MIT). There he studied electrical engineering, followed by a master's degree in science in management. His fraternity was a “troubled institution”, he recalls.

“We had two pieces of very expensive real estate and 70 members. We were responsible for feeding them, rooming them, tutoring them and organising their social lives. At the age of 20, I started becoming intrigued by what it takes to make this function better.”

He also drew inspiration from Edgar Schein, a renowned thought leader in the field of organisational development and a professor at the MIT Sloan School of Management. Later, during his doctoral programme in human performance at Harvard, Kotter also learned much from his professor, Paul Lawrence.

“I became increasingly convinced that one of the most important factors that explains why some people outperform others is how well they are able to handle a fast-changing world,” he says. “The more I thought about it, the more I realised ▶

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leadership was directly related to handling change, just as management was more directly involved in making complex systems run well every day.”

Kotter believes the central challenge facing leaders in our age of disruption is “being able to run the organisation both very well and very efficiently, while at the same time constantly leaping into the future, which involves changing many strategically important things”.

Digitalisation is the obvious change challenge facing the world at present, but Kotter is clear that “there is a whole long list of other things” besides. The list includes ageing populations, industry consolidation involving mergers and acquisitions, and the rise of China.

“Very often it’s just changing to be able to deal with change,” he says. “A lot of people work in cultures that were designed, or emerged, in a slower-moving world and have habits that aren’t very good in a faster-moving world. A big deal is changing some aspects of culture.”

Kotter also highlights the need for speed: “You used to be able to execute a new strategy over three years, but that is just not acceptable anymore. It’s got to be done in two years, or a year and a half. If not, somebody else will go zooming past you.”

CHANGE PROJECTS

The difficulty with change projects, as Kotter himself acknowledges, is getting them right. History is littered with examples of change projects that have gone spectacularly wrong, within both the corporate sphere and government. For this reason, the typical reaction for many workers to the announcement of a brand-new change programme is a sceptical lift of the eyebrow. According to Kotter, that is an entirely natural response.

“What they’ve seen is often so unsuccessful that they’re being rational



by acting suspiciously and resisting the organisation wasting their time on one more effort that isn’t going to achieve much,” he says. “And will that be a problem in the future as the world changes more and more? Absolutely.”

So what can leaders and project managers do to make sure that their own change projects stay on track? Kotter cites three strategies for success – involve lots of people, win over their hearts as well as their minds, and give them the freedom to act. In his 2014 book, *Accelerate*, he also champions agile networks of ‘change agents’ within organisations as more effective structures for driving change than traditional hierarchies. This is particularly the case if an organisation is embarking on far-reaching, complex change – the kind of change that Kotter himself specialises in.

“The change projects that do particularly well get more people involved – not by appointing them, throwing money at them or ordering them, but by getting their hearts, as well as their minds, into the game,” he says. “They create a network organisation and they allow people to show initiative, to be proactive and to really lead – not just manage a project in a tight way.”

Kotter gives Dallas-based Southwest Airlines, the world’s largest low-cost carrier, as an example of an organisation that manages change well by following these principles.

Another point that he is adamant about is the need to learn from other organisations that have managed change projects well.

“I’ve got a lot of the inspiration from people who are actually running organisations and have done miraculous things,” Kotter says. “I wrote a biography of Konosuke Matsushita, the founder of Panasonic. His story of what is possible is incredibly inspiring, because it is so far beyond what we tend to think is possible.”

He adds: “I wish change leaders could go with me on my research trips so that they could see for themselves what works and what doesn’t work, and have experience beyond their own organisations. So many people are working with limited information based only on their own experiences. That’s not enough to be able to draw sensible conclusions. If you want to be a great Olympic athlete, don’t assume that you have a coach and a set of experiences that will make you one. Go out there, look for the coaches, look for the past and current



Olympic athletes, and see what they do. Learn, learn, learn!”

Kotter also highlights the need for project managers to distinguish between complex change and other types of change.

“There are all kinds of changes going on in organisations that project managers have done before and understand how to handle,” he says. “But if they are given something that is large and complex, they should stop for a minute and make sure that they don’t get into trouble because they haven’t had experience of something that is either that big and complex, or is going to happen that quickly. If they haven’t, they should put up the flag and admit it.”

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He also advises bringing in change management specialists, saying: “The fundamental principles that seem to drive successful complex change initiatives tend not to be at the heart of project management as it is practised almost everywhere today.” Naturally, these principles include involving as many people as possible, winning over their hearts and minds, giving them freedom to lead on initiatives, and adopting a network rather than a hierarchical structure.

“That is not to say that an initiative driven by these principles cannot have a little project within it that is best managed with a project management mindset,” he adds, “or that project management tools can’t be used by those who drive some complex change initiatives. But any project management organisation that doesn’t have change management expertise is taking a risk, because these days even small projects really do require some change.”

EVOLUTION PLAYS A PART

Kotter might be best known as an academic and author, but he is a businessman as well. In addition to his writing, researching and teaching, he is chairman of Kotter International, the consultancy firm that he founded in 2008, together with his wife Nancy Dearman and a former Microsoft executive. He saw the business as an opportunity to have an even greater impact than he was making through his books. Its aim, according to its founder, is to become the “pre-eminent firm in the world on the topic of leading complex change”.


As far as research interests go, Kotter’s current preoccupation is exploring how human reaction to change is built into our DNA: “What’s hardwired from evolution into our brains and bodies? That raises some very interesting observations about what challenges are involved with running organisations in a fast-moving world, and what some of the solutions are.”

Looking back, would Kotter make any tweaks to the legendary eight-step process that he outlined in *Leading Change*?

“Almost everything in that book is still applicable to the world,” he insists. “But in addition to the traditional structures, systems, processes and policies that you need to be able to deliver a product or

service every day in a reliable, efficient way, you also need to have a second system that can handle a series of bigger change initiatives.”

Hence, *Accelerate* expands the original eight-step process to encompass concepts such as the “single big opportunity”, the network and the volunteer army.

Given the huge contribution he has made to the practice of change management, it is understandable that Kotter likes to feel he is making a difference: “It’s enormously gratifying when you meet somebody who seems to have got some insight from your work. It’s a shame you can’t bottle that and give it to more people.” 

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JOHN KOTTER’S PRACTICAL EIGHT-STEP PROCESS FOR CHANGE MANAGEMENT IN A FAST-CHANGING WORLD

- 1 Establish a sense of urgency around a single big opportunity**
- 2 Build and maintain a guiding coalition**
- 3 Formulate a strategic vision and develop change initiatives designed to capitalise on the big opportunity**
- 4 Communicate the vision and the strategy to create buy-in and attract a growing volunteer army**
- 5 Accelerate movement towards the vision and the opportunity by ensuring that the network removes barriers**
- 6 Celebrate visible, significant short-term wins**
- 7 Never let up. Keep learning from experience. Don’t declare victory too soon**
- 8 Institutionalise strategic changes in the culture**

Source: John Kotter, *Accelerate: Building strategic agility for a faster-moving world* (Harvard Business Review, 2014)