Module: Change and Stability Management

Handout Five: The Nature of Nature and Change Frameworks

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- Dr. Joe Leung has offered training and consulting services in corporate growth strategy, corporate changes, and ESG for projects in China and Hong Kong.
- As a Certified ESG Strategist, Dr. Leung won the "Director of the Year Awards" from the "Hong Kong Institute of Directors" in 2019, 2020, and 2022, respectively, demonstrating that his clients had achieved "corporate governance" in high-level performance. Dr. Leung also helps businesses create "Environmental, Social, and Governance (ESG)" sustainable development plans. In 2022, he helped his clients win the "Special Environment, Social, and Corporate Governance Awards" from the Institute of ESG and Benchmark, and in 2023, he helped his client win the "Grand Award of HKIE BSD Excellent Building Award 2023" to confirm the attainment of sustainability.
- Over the past 19 years, more than 9,800 managers, executives, and business owners have participated in Dr. Leung's executive/director training and UK MBA programs to enhance their strategic thinking and insight and seize opportunities in the highly competitive market environment.

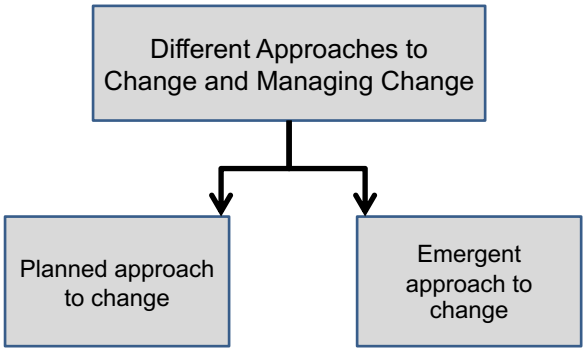
1. The Nature of Change: Planned or Emergent?

- One of the biggest distinctions in views about change is in relation to the nature of change. If you think of change as being about moving from one state to another in a structured manner, you are more likely to develop models which highlight a structured set of steps.

  This is generally referred to as **"Planned change".**

- An alternative is to see change as largely fluid and emerging, it's all pervasive and continuous. Taking this view means you are more likely to manage change as part of what happens naturally in an organization, and perhaps see interventions as cyclical or iterative.

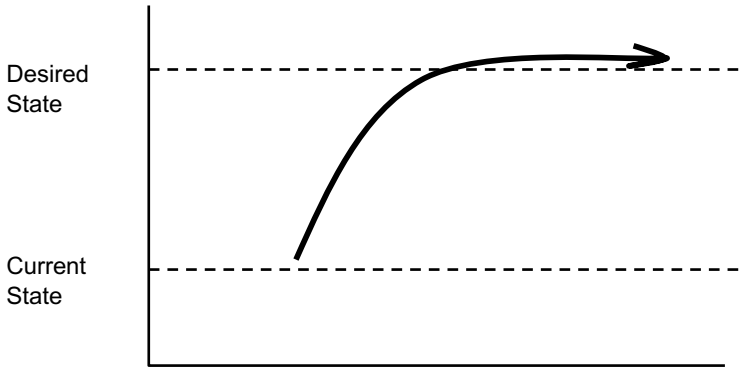
  This is commonly referred to as **"Emergent change".**



Planned change approaches rely more on assumptions that an organization's environment is known. Change can then be planned to facilitate movement from one condition to another.

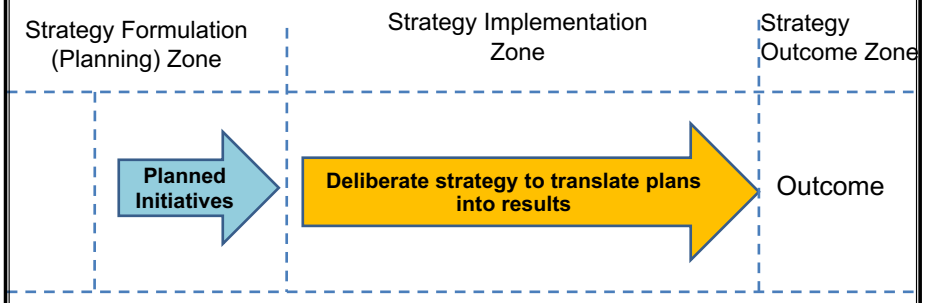
In contrast, emergent change emphaises the need to be responsive and adaptive: that change is constantly around us. It may be that some changes can be seen as more stable and predictable moving from one state to another, whilst other change is more fluid and on-going in nature

Planned Change



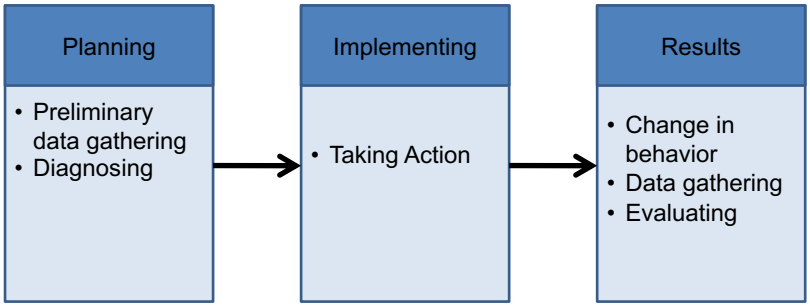
Planned change management foresees clearly the difference between the present and the desired state as well as the means to reach that desired sate.

Planned Change roadmap

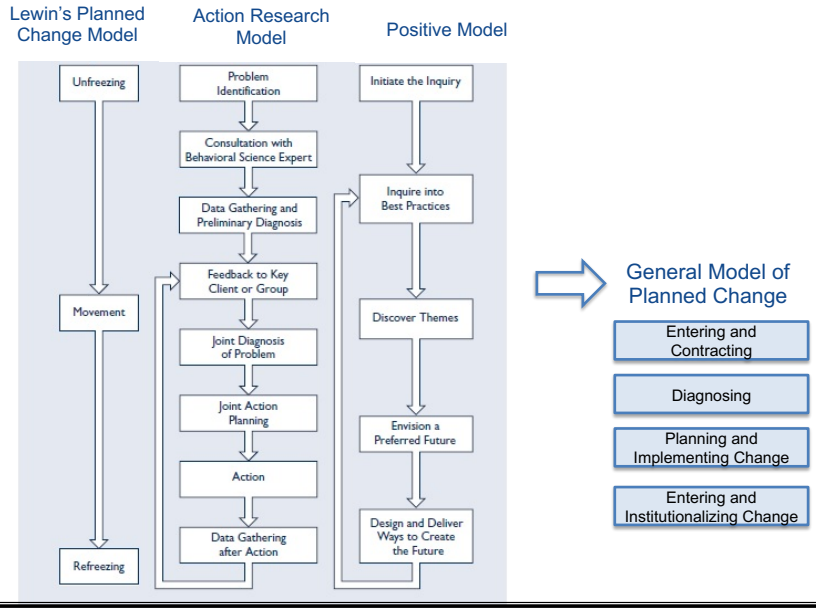


Planned change management process assumes smooth sailing from the current state to the desired without significant disruption from the internal and/or external factors.

Planned Change Model



Planned Change Models



2. Lewin 3-Step Change Management Model: A Simple and Effective Method to Institute Change

- One of the earliest models of planned change was provided by Kurt Lewin. He conceived of change as modification of those forces keeping a system's behavior stable. Specifically, a particular set of behaviors at any moment in time is the result of two groups of forces: those striving to maintain the status quo and those pushing for change. When both sets of forces are about equal, current behaviors are maintained in what Lewin termed a state of "quasi-stationary equilibrium." To change that state, one can increase those forces pushing for change, decrease those forces maintaining the current state, or apply some combination of both.

Kurt Lewin (1890-1947) was a German-American psychologist, known as one of the modern pioneers of social, organizational, and applied psychology in the United States.

- For example, the level of performance of a work group might be stable because group norms maintaining that level are equivalent to the supervisor's pressures for change to higher levels. This level can be increased either by changing the group norms to support higher levels of performance or by increasing supervisor pressures to produce at higher levels. Lewin suggested that decreasing those forces maintaining the status quo produces less tension and resistance than increasing forces for change and consequently is a more effective change strategy.

Source: Kurt Lewin (1947), **Field Theory in Social Science**, New York: Harper & Row.

- Lewin's Change Management Model is one such framework for understanding and managing organizational change in a simple and easy-to-understand way. Presented in 1947, Kurt Lewin's approach to Change Management is still widely used by organizations to institute change.

- According to Lewin, 3 steps are essential to make change successful. Recognition of these distinct stages of change enable the leaders to effectively plan the execution of desired change:

1. Unfreeze
2. Change (or Transition)
3. Freeze (or Refreeze)

1. Unfreeze Stage

The Unfreeze stage encompasses ensuring readiness of change, by preparing the organization to understand and accept the criticality of the need for change. 4 key steps describe the Unfreeze stage:

Ascertain the need for change

The first step during the Unfreeze stage warrants undertaking the Current State Assessment (CSA) of the organization to identify what needs to change and why. The step also warrants breaking down the status quo, challenging the existing behaviors, revising the prevalent practices, and creating new ways of doing business.

Gather support

Next, the leadership needs to draw support for change from key people in management and across the organization through Stakeholder Analysis and Stakeholder Management, and outline it as one of the foremost priority for the enterprise.

Develop the strategy and plan to communicate the need for change

Subsequently, senior management should work on utilizing the organizational vision and strategy to substantiate the communication of the vision for transformation and the need for change across the board. This demands planning and developing persuasive messages and organized sharing mechanisms.

Appreciate and manage any reservations and uncertainties

This step encompasses addressing any employee skepticism and apprehensions towards change by consistently depicting the reasons for discontinuation of existing ways of doing business to enable people embrace the need for change.

Leaders may need to manage the state of equilibrium of the organizational culture by balancing counteracting forces — different factors that drive or resist change — with the help of “Force Field Analysis.” The Force Field Analysis means a thorough evaluation of the pros and cons of change. If the forces favoring change outweigh the factors resisting it, the change will happen; otherwise, the change agenda may fail.

2. Change (or Transition) Stage
Once people are 'unfrozen' and ready to move towards the desired state, the transition sets in which signifies making the required changes. This time is often difficult for the people, as at this stage they are uncertain about the future, are new to the changes, and need time to grasp and adjust to them. 4 steps are critical to manage the transition (change) stage:

Communicate methodically and consistently
Throughout the planning and implementation of the transition stage, leadership needs to clearly articulate and share the influence, effects, and benefits of transformation across the organization, and prepare everyone for the future.

Dismiss hearsay
The senior leaders should support the people by holding regular sessions to candidly answer their queries, straightaway sort out any issues, and convey the need for change as an operational necessity.

Encourage action
Next, the senior management needs to role model the desired behaviors and mindsets, plan and deliver quick wins to keep the stakeholders motivated, and empower people to come up with solutions to tackle new issues and routine matters.

Engage people
The next step comprises involving the people in the process, allowing them time to shift, and talking to external stakeholders (e.g., employee organizations) if required.

3. Freeze (or Refreeze) Stage
By freezing or refreezing, Kurt Lewin means reinforcing and institutionalizing the desired changes, ensuring they are widely accepted, utilized all the time, and incorporated into the business and the organizational culture. Implementation of the freeze stage instills a new sense of stability in employees, they feel confident, form new relationships, and become comfortable with the new ways of working.

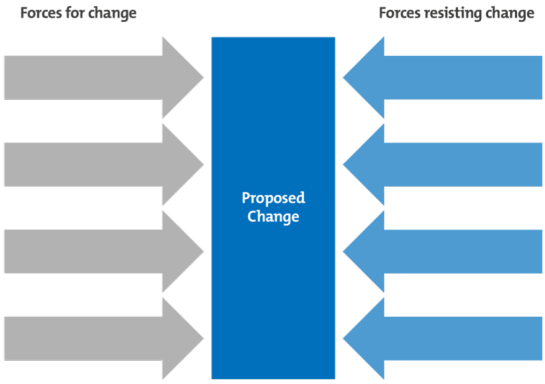
Successful implementation of the freeze stage rests on 4 practical steps:

- **Embed change**
- **Plan to sustain change**
- **Provide support**
- **Celebrate success**

Lewin's Force Field Analysis

Force Field Analysis was created by Kurt Lewin in the 1940s. Lewin originally used it in his work as a social psychologist. Today, however, it is also used in business, for making and communicating go/no-go decisions.

The idea behind Force Field Analysis is that situations are maintained by an equilibrium between forces that drive change and others that resist change, as shown at below. For change to happen, the driving forces must be strengthened or the resisting forces weakened.



Step 1: Assess the current situation (problem)

- You need to start the session by discussing the current situation of the organization in terms of the issue at hand with the key stakeholders.
- This may include determining where you are at, the challenges you are facing due to the issue you are trying to solve, the reaction of the employees, etc.
- It's also important to clarify where you want to go or the desired state you want to achieve with the initiative. At the same time, consider what will take place if you fail to take action to change the current situation.

SWOT analysis to understand what strengths you can use to overcome the existing threats and see how you can work on overcoming weaknesses and take advantage of the presented opportunities.

Step 2: Describe Your Plan or Proposal for Change
Define your goal or vision for change.

Step 3: Identify Forces For Change
Think about the kinds of forces that are driving change. These can be internal and external.

Internal drivers could include:
- Outdated machinery or product lines.
- Declining team morale.
- A need to increase profitability.

External drivers could include:
- A volatile, uncertain operating environment.
- Disruptive technologies.
- Changing demographic trends.

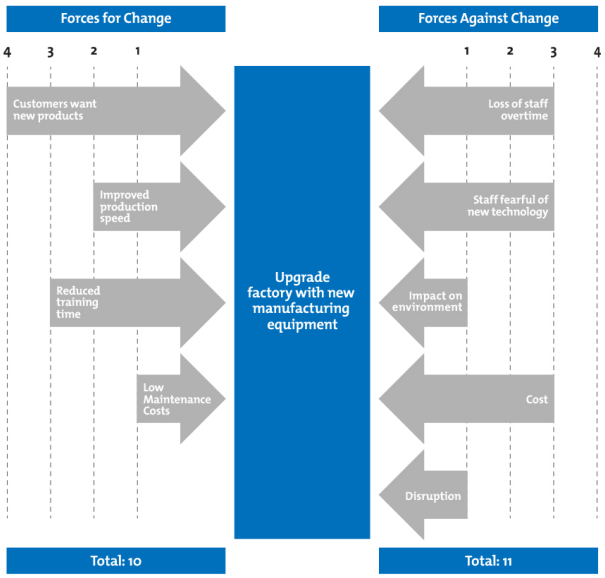
Step 4: Identify Forces Against Change
Now brainstorm the forces that resist or are unfavorable to change.

Internal resistors and restrainers could include:
- Fears of the unknown.
- Existing organizational structures.
- "That's not how we do it here " attitudes.

External factors might be:
- Existing commitments to partner organizations.
- Government legislation.
- Obligations toward your customers.

Step 5: Assign Scores
- Next, score each force, from, say, 1 (weak) to 5 (strong), according to the degree of influence each one has on the plan, and then add up the scores for each side (for and against).
- For a visual representation of the influence that each force has, draw arrows around them. Use bigger arrows for the forces that will have a greater influence on the change, and smaller arrows for forces that will have a weaker influence.
- By now, your Force Field Analysis should look something like the example at below.

Example Force Filed Analysis



Step 6: Analyze and Apply

Now that you've done your Force Field Analysis, you can use it in two ways:

1. To decide whether or not to move forward with the decision or change.
2. To think about which supportive forces you can strengthen and which opposing or resisting forces you can weaken, and how to make the change more successful.
3. If you had to implement the project in the example above, the analysis might suggest a number of changes that you could make to the initial plan. For instance, you could:
4. Train staff to minimize their fear of technology. The +1 cost of training increases "Cost" to -4 but the -2 benefits reduce "Staff fearful of new technology" to -1.
5. Show staff that change is necessary for business survival. This new, +2 force supports the change.
6. Show staff that new machines would introduce variety and interest to their jobs. This new, +1 force also supports the change.
7. Raise wages to reflect new productivity. The +1 cost of raising wages takes "Cost" to -5, but the -2 benefits reduce "Loss of overtime" to -1.
8. Install slightly different machines with filters that eliminate pollution. The -1 benefit of the new machines eliminates "Impact on environment" as a force against change.
9. These changes would swing the balance from 11:10 (against the plan), to 13:8 (in favor of the plan).

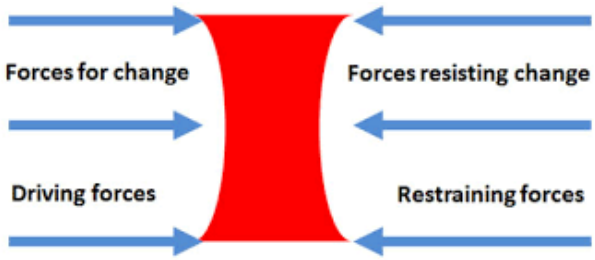
Step 7: Action Plan

Action Plan Template

Goal:

Action Step	Responsible	Start Date	Milestones	Due Date	Resources	Desired Outcome

Question and Answer

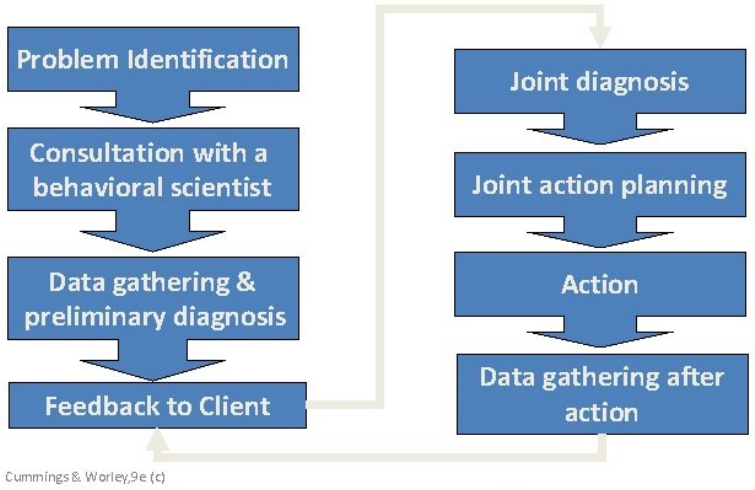


3. Action Research for Successful Organization Change

The classic action research model focuses on planned change as a cyclical process in which initial research about the organization provides information to guide subsequent action. Then the results of the action are assessed to provide further information to guide further action, and so on. This iterative cycle of research and action involves considerable collaboration among organization members and Organizational Development (OD) practitioners. It places heavy emphasis on data gathering and diagnosis prior to action planning and implementation, as well as careful evaluation of results after action is taken.

Action research is traditionally aimed both at helping specific organizations implement planned change and at developing more general knowledge that can be applied to other settings. Although action research was originally developed to have this dual focus on change and knowledge generation, it has been adapted to OD efforts in which the major emphasis is on planned change. The following figure shows the cyclical phases of planned change as defined by the original action research model. There are eight main steps: Problem Identification, Consultation with a Behavioural Science Expert, data Gathering and Preliminary Diagnosis, Feedback to a Key Client or Group, Joint Diagnosis of the problem, Joint Action Planning, Action and Data gathering After Action.

System Model of Action Research



Source: Thomas G. Cummings and Christopher G. Worley (2009), **Organization Development and Change**, South-Western Cengage Learning.

- **Problem Identification.** This stage usually begins when an executive in the organization or someone with power and influence senses that the organization has one or more problems that might be solved with the help of an OD practitioner.

- **Consultation with a Behavioral Science Expert.** During the initial contact, the OD practitioner and the client carefully assess each other. The practitioner has his or her own normative, developmental theory or frame of reference and must be conscious of those assumptions and values. Sharing them with the client from the beginning establishes an open and collaborative atmosphere.

- **Data Gathering and Preliminary Diagnosis.** This step is usually completed by the OD practitioner, often in conjunction with organization members. It involves gathering appropriate information and analyzing it to determine the underlying causes of organizational problems. The four basic methods of gathering data are interviews, process observation, questionnaires, and organizational performance data (unfortunately, often overlooked). One approach to diagnosis begins with observation, proceeds to a semistructured interview, and concludes with a questionnaire to measure precisely the problems identified by the earlier steps. gathering diagnostic information, OD practitioners may influence members from whom they are collecting data. In OD, any action by the OD practitioner can be viewed as an intervention that will have some effect on the organization.

- **Feedback to a Key Client or Group.** Because action research is a collaborative activity, the diagnostic data are fed back to the client, usually in a group or work team meeting. The feedback step, in which members are given the information gathered by the OD practitioner, helps them determine the strengths and weaknesses of the organization or unit under study. The consultant provides the client with all relevant and useful data. Obviously, the practitioner will protect confidential sources of information and, at times, may even withhold data. Defining what is relevant and useful involves consideration of privacy and ethics as well as judgment about whether the group is ready for the information or if the information would make the client overly defensive.

- **Joint Diagnosis of the Problem.** At this point, members discuss the feedback and explore with the OD practitioner whether they want to work on identified problems. A close interrelationship exists among data gathering, feedback, and diagnosis because the consultant summarizes the basic data from the client members and presents the data to them for validation and further diagnosis. An important point to remember, as Schein suggests, is that the action research process is very different from the doctor–patient model, in which the consultant comes in, makes a diagnosis, and prescribes a solution.

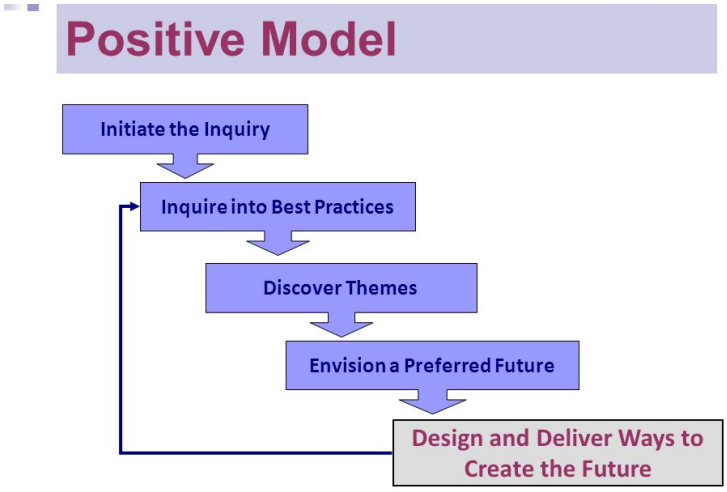
- **Joint Action Planning.** Next, the OD practitioner and the client members jointly agree on further actions to be taken. This is the beginning of the moving process (described in Lewin's change model), as the organization decides how best to reach a different quasi-stationary equilibrium. At this stage, the specific action to be taken depends on the culture, technology, and environment of the organization; the diagnosis of the problem; and the time and expense of the intervention.

- **Action.** This stage involves the actual change from one organizational state to another. It may include installing new methods and procedures, reorganizing structures and work designs, and reinforcing new behaviors. Such actions typically cannot be implemented immediately but require a transition period as the organization moves from the present to a desired future state.

- **Data Gathering After Action.** Because action research is a cyclical process, data must also be gathered after the action has been taken to measure and determine the effects of the action and to feed the results back to the organization. This, in turn, may lead to re-diagnosis and new action.

Question and Answer

4. The Positive Model of Change



Source: Thomas G. Cummings and Christopher G. Worley (2009), **Organization Development and Change**, South-Western Cengage Learning.

What the organization is doing right is what the positive model focuses on (Cummings and Worley, 2009). The positive model aids members in understanding their organization when it is at its best, and then builds up those capabilities for the achievement of better results. Through the process of appreciative inquiry, the positive model has been applied to planned. Appreciative enquiry encourages a positive orientation to the way change is conceived and managed. It promotes broad member involvement in creating a shared vision about the organization's shared potential.

Phase 1: Initiate the Inquiry:

Initiate the inquiry is to know the subject of change. It points up the associate participation to recognize the organizational issue they have the most energy to address.

Phase 2: Inquire into best practices:

Inquire into best practices is assembling data that is the best in the organization. If the subject is organizational innovation, then associates of the organization helps to build up an interview protocol which contains the information about the new ideas that were developed and carried out in the organization. The members of the organization conduct the interviews: they interview each other and let them know the information or stories about the innovations in which the members are personally involved. These stories are gathered to form a group of information, which describes the organization as an innovative system.

Phase 3: Discover the themes:

Discovering themes is about the members of the organization who look at the stories that are gathered previously which may include both small and large, to recognize a set of themes which are demonstrating the common scope of people's experiences. For instance, the stories of innovation that are collected may contain themes about how much freedom each individual gets from the managers in exploring a new idea, how much support the coworkers provided to the organization members, or how to exposure to customers sparked ingenious ideas. No theme is small in case of representation; it is very important to describe all the core mechanisms that help to generate and support the themes. The themes symbolizes the basis for moving from "what is" to "what could be".

Phase 4: Envision a preferred future:

Members that scan the identified themes, challenge the status quo, and describe a compelling future. Based on the organizations successful past, members collectively picture the organizations future and develop "possibility proportions"- statements that bridge the organizations current best practices with ideal possibilities for future organizing. These proportions should present a truly exciting, provocative, and possible picture of the future. Based on these possibilities, members discover the relevant stakeholders and critical organization processes that must be aligned to support emergences of the envisioned future. The vision becomes a statement of "what should be".

Phase 5: Design and Deliver Ways to Create the Future:

This phase illustrates the activities and the plans necessary to bring vision. It progresses to both action and assessment phase comparable to action research described earlier. Members of the organization make modifications, weigh up the results and make necessary adjustments, to move the organization towards the vision and nourish "what will be". The course of action is continued by restoring the discussion about what the best is.

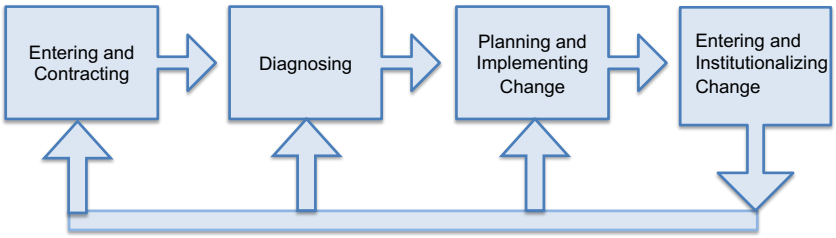
Question and Answer

5. General Model of Planned Change

The world is constantly changing in many different ways. Whether it is technological or cultural change is present and inevitable. Organizations are not exempt from change. As a matter of fact, organizations have to change with the world and society in order to be successful. Organizations have to constantly incorporate change in order to have a competitive advantage and satisfy their customers. Organizations use change in order to learn and grow. However, change is not something that can happen in an organization overnight. It has to be thought through and planned. The General Model of Planned Change focuses on what processes are used by the organization to implement change.

In the General Model of Planned Change, four steps are used in order to complete the process of change. Entering and Contracting, Diagnosing, Planning and Implementing, and Evaluating and Institutionalizing are the four steps used in order to complete the process of change in an organization. The diagnostic process is one of the most important activities in OD (Cummings, 2009).

The three models of planned change suggest a general framework for planned change as shown at below. The framework describes the four basic activities that practitioners and organization members jointly carry out in organization development. The arrows connecting the different activities in the model show the typical sequence of events, from entering and contracting, to diagnosing, to planning and implementing change, to evaluating and institutionalizing change. The lines connecting the activities emphasize that organizational change is not a straightforward, linear process but involves considerable overlap and feedback among the activities.



Source: Thomas G. Cummings and Christopher G. Worley (2009), **Organization Development and Change**, South-Western Cengage Learning.

Entering and Contracting

- The first set of activities in planned change concerns entering and contracting. Those events help managers decide whether they want to engage further in a planned change program and to commit resources to such a process. Entering an organization involves gathering initial data to understand the problems facing the organization or to determine the positive areas for inquiry. Once this information is collected, the problems or opportunities are discussed with managers and other organization members to develop a contract or agreement to engage in planned change. The contract spells out future change activities, the resources that will be committed to the process, and how OD practitioners and organization members will be involved.

- In many cases, organizations do not get beyond this early stage of planned change because one or more situations arise: Disagreements about the need for change surface, resource constraints are encountered, or other methods for change appear more feasible. When OD is used in non-traditional and international settings, the entering and contracting process must be sensitive to the context in which the change is taking place.

Diagnosing

- In this stage of planned change, the client system is carefully studied. Diagnosis can focus on understanding organizational problems, including their causes and consequences, or on collecting stories about the organization's positive attributes. The diagnostic process is one of the most important activities in OD. It includes choosing an appropriate model for understanding the organization and gathering, analyzing, and feeding back information to managers and organization members about the problems or opportunities that exist.

Planning and Implementing Change

- In this stage, organization members and practitioners jointly plan and implement OD interventions. They design interventions to achieve the organization's vision or goals and make action plans to implement them. There are several criteria for designing interventions, including the organization's readiness for change, its current change capability, its culture and power distributions, and the change agent's skills and abilities

Evaluating and Institutionalizing Change

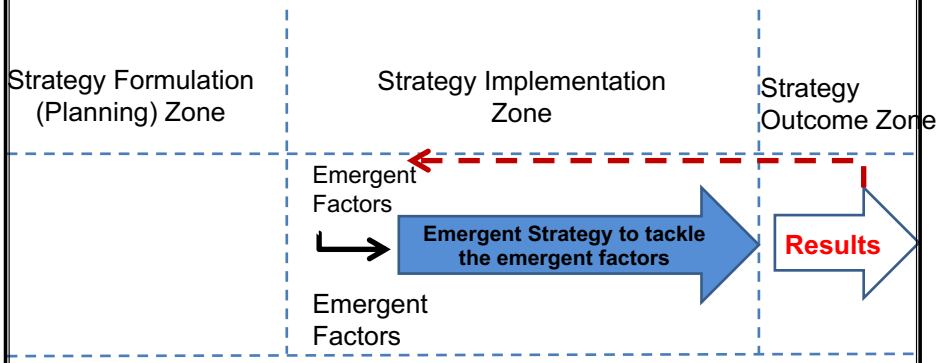
- The final stage in planned change involves evaluating the effects of the intervention and managing the institutionalization of successful change programs so they persist. Feedback to organization members about the intervention's results provides information about whether the changes should be continued, modified, or suspended. Institutionalizing successful changes involves reinforcing them through feedback, rewards, and training.

Caveats against the planned mode of Change Management

- Planned approach to change management assumes that one type of approach to change is suitable for all organizations, all situations, and all times.
- It entails laying down timetables and methods in advance, ignoring the complex and dynamic nature of environmental and organizational processes.
- It does not address crucial issues such as the continuous need for structural adaptations and employee flexibility.
- It heavily assumes that change management experts can have full understanding of the consequences of their actions and that their plans will be understood, accepted, and can be implemented fully.
- This approach is based on the assumption that common agreement can be reached among all parties involved in the change process ignoring the universal reality of organizational conflict and politics, or at least assumed disagreement can be easily identified and resolved.

Question and Answer

Emergent Change Roadmap



Emergent concept to change believes in natural emergence of numerous factors during the change implementation phase that have never been forecast earlier. Proponent of this concept believe that a planned change initiatives may give a proper direction.

Kurt Lewin' s 3 Steps of Change (1947)	Rosabeth Moss Kanter's Ten Commandment for Executing Change (1992)	John Kotter's Eight Steps of Change (1995)	Peter Senge (1999)
Unfreezing	Analyse the org. & its need for change	Establish a sense of urgency	Initiating change
	Create shared vision & common directive	Form a guiding coalition	
	Separate from past	Develop a vision	
	Create a sense of urgency		
Moving	Support a strong leader role	Communicate the vision	Sustaining momentum
	Line up political sponsorship	Empower others to act on the vision	
	Craft an implementation plan	Planning & enabling short term views	
Refreezing	Develop enabling structures	Solidifying change & checking more change	Redesigning & rethinking
	Communicate, involve people & be honest	Anchoring and institutionalising new approaches	
	Reinforce & institutionalise change		

6. Kanter's Ten Commandments

In the challenge of organizational change, Kanter and her Co-authors (Kanter et al, 1992) proposed "Ten Commandments for Executing Change". The commandments are as follows: Analyze the organization and its need for change; Create a shared vision and a common direction; Separate from the past; Create a sense of urgency; Support a strong leader role; Line up political sponsorship; Craft an implementation plan; Develop enabling structures; Communicate, involve people and be honest and Reinforce and institutionalize change.

Source: Rosabeth Kanter, Barry Stein and Todd Jick (1992), **Implementing Change Chapter in the Challenge of Organizational Change,** Free Press.

Kanter's Ten Commandments

- **Analyze the organization and its need for change**. Managers should understand an organization's operations, how it functions in its environment, what its strengths and weaknesses are, and how it will be affected by proposed changes in order to craft an effective implementation plan.

- **Create vision and common direction**. One of the first steps in engineering change is to unite an organization behind a central vision. This vision should reflect the philosophy and values of the organization, and should help it to articulate what it hopes to become. A successful vision serves to guide behavior, and to aid an organization in achieving its goals.

- **Separate from the past**. Disengaging from the past is critical to awakening to a new reality. It is difficult for an organization to embrace a new vision of the future until it has isolated the structures and routines that no longer work, and vowed to move beyond them.

- **Create a sense of urgency**. Convincing an organization that change is necessary isn't that difficult when a company is teetering on the brink of bankruptcy, or foundering in the marketplace. But when the need for action is not generally understood, a change leader should generate a sense of urgency without appearing to be fabricating an emergency, or "crying wolf." This sense of urgency is essential to rallying an organization behind change.

- **Support a strong leader role**. An organization should not undertake something as challenging as large scale change without a leader to guide, drive, and inspire it. This change advocate plays a critical role in creating a company vision, motivating company employees to embrace that vision, and crafting an organizational structure that consistently rewards those who strive toward the realization of the vision.

- **Line up political sponsorship**. Leadership, alone, cannot bring about large scale change. In order to succeed, a change effort must have broad based support throughout an organization. This support should include not only the managers, or change implementors, but also the recipients of change, whose acceptance of any. program is necessary for its success.

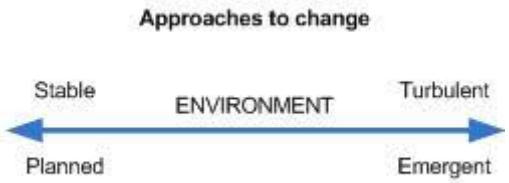
- **Craft an implementation plan**. While a vision may guide and inspire during the change process, an organization also needs more nuts and bolts advice on what to do, and when and how to do it. This change plan maps out the effort, specifying everything from where the first meetings should be held, to the date by which the company hopes to achieve its change goals.

- **Develop enabling structures**. Altering the status quo and creating new mechanisms for implementing change can be a critical precursor to any organizational transformation. These mechanisms may be part of the existing corporate structure, or may be established as a freestanding organization. Enabling structures designed to facilitate and spotlight change range from the practical – such as setting up pilot tests, off site workshops, training programs, and new reward systems – to the symbolic – such as rearranging the organization's physical space.

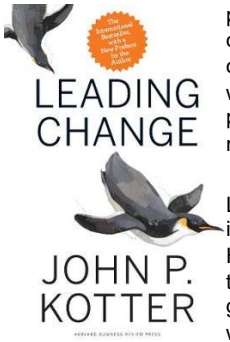
- **Communicate, involve people, and be honest**. When possible, change leaders should communicate openly, and seek out the involvement and trust of people throughout their organizations. Full involvement, communication, and disclosure are not called for in every change situation, but these approaches can be potent tools for overcoming resistance, and giving employees a personal stake in the outcome of a transformation.

- **Reinforce and institutionalize the change**. Throughout the pursuit of change, managers and leaders should make it a top priority to prove their commitment to the transformation process, reward risk taking, and incorporate new behaviors into the day to day operations of the organization. By reinforcing the new culture, they affirm its importance and hasten it's acceptance.

Question and Answer



7. John Kotter-Leading Change



John Kotter's ideas on change management and leadership. From the ill-fated dot-com bubble to unprecedented M&A activity to scandal, greed, and ultimately, recession--we've learned that widespread and difficult change is no longer the exception. John Kotter's now-legendary eight-step process for managing change with positive results has become the foundation for leaders and organizations across the globe. By outlining the process every organization must go through to achieve its goals, and by identifying where and how even top performers derail during the change process, Kotter provides a practical resource for leaders and managers charged with making change initiatives work.

Leading Change is widely recognized as his seminal work and is an important precursor to his newer ideas on acceleration published in Harvard Business Review. Needed more today than at any time in the past, this bestselling business book serves as both visionary guide and practical toolkit on how to approach the difficult yet crucial work of leading change in any type of organization.

Source: John Kotter (2012), **Leading Change,** Harvard Business Review Press.

John Kotter's steps change model

Step 1: Create Urgency

- Examine market and competitive realities
- Identify and discuss crises, potential crises, or major opportunities

- The first step for leaders is to create a sense of urgency. This is a series of actions that leaders take to communicate with critical stakeholders why change must occur and why it must occur now.

- One way to view this step is to see it as an opening argument. For change leaders, creating a sense of urgency is similar to what an attorney does in court in his or her opening argument. The attorney uses information and facts to get the court's attention and make a compelling argument for their position. Change leaders do this as well by presenting relevant business and industry data that effectively makes the case for expedited change in the organization.

- When leaders are effective at creating a sense of urgency, critical stakeholders understand and accept that organizational change has to occur. They understand that the status quo is not acceptable and that the time for making change is running out.

Step 2: Develop a Guiding Coalition

- Assemble a group with enough power to lead the change effort
- Encourage the group to work as a team

- The second step for leaders is to create the guiding coalition. This is a series of actions that leaders take to identify capable, influential, and critical allies to become their change oversight team.

- Think about this step this way: now that a change leader has succeeded in gaining the attention of this talented and credible group, he or she now needs to empower this high performing team to make the change happen. The keys to this step are first to identify the right people who can become committed partners with the change leader through the change launch and its implementation. Next, the change leader has to gain the willingness of the guiding coalition members to work with the change leader to bring about the actual organizational change.

- This is more than just assigning people to work on the change project as coalition members. When leaders are effective at creating a guiding coalition, they gain a high performing project leadership team whose members also believe and are committed to seeing the change occur in the organization.

Step 3: Develop a Change Vision

- Create a vision to help direct the change effort
- Develop strategies for achieving that vision

- The third step for leaders and the guiding coalition is to develop a change vision and strategy. This is a series of actions to give the organization a picture of what the future looks like after the change is implemented.
- This picture of what the organization can become is both a future that looks appealing and sensible. If it isn't, then it will be hard for the leaders to sustain organizational commitment to the change effort. In this step, leaders must maintain a balance between setting organizational direction independently and collaborating with the guiding coalition in this effort.
- When leaders and the guiding coalition are effective at developing a change vision and strategy, they will have identified the areas of change, provided clear and realistic targets for measuring success, and appealed to the long-term interests of organizational stakeholders.

Step 4: Communicate the Vision Buy-in

- Use every vehicle possible to communicate the new vision and strategies
- Teach new behaviors by the example of the Guiding Coalition

- The fourth step for leaders and the guiding coalition is to communicate the change vision. This is a series of actions to communicate the change vision broadly to the organization to promote understanding and commitment for the new direction.
- The goal for leaders in this fourth step of the change leadership process is to capture the minds and hearts of the employees and managers who are necessary to implement this change. With simple messaging that is repeated effectively in different formats, leaders can help the rest of the organization to both understand and accept the need for change.
- When leaders and the guiding coalition are effective at communicating the change vision, organizational buy-in occurs. Managers and employers not only accept the need for change but they also desire to see it happen.

Step 5: Empower Broad-based Action

- Remove obstacles to change
- Change systems or structures that seriously undermine the vision
- Encourage the risk-taking and nontraditional ideas, activities, and actions

- The fifth step for leaders and the guiding coalition is to empower broad based action. This is a series of actions to remove obstacles that do not support the change vision.
- At this point of the change journey, leaders and the guiding coalition are squarely in the implementation phase. They are actively working with the rest of the organization to make changes to the existing organizational infrastructure (processes, procedures, and organizational structures) to put the wheels of change in motion.
- When leaders and the guiding coalition are effective at empowering broad based actions, organizational resistance to change is lessened and the existing organizational infrastructure aligns more closely with the goals of the change effort.

Step 6: Generate Short-term Wins

- Plan for visible performance improvements
- Create those improvements
- Recognize and reward employees involved in the improvements

- The sixth step for leaders and the guiding coalition is to generate short-term wins. This is a series of actions to sustain the change effort over the long term by generating goodwill through visible organizational short-term wins.
- Consider this common outcome of change efforts: leaders and their organizations work hard to effect change but the difficulty of achieving complex goals eventually stalls organizational momentum. When this occurs, the result is sub par change outcomes and frustration in the organization.
- Leaders and the guiding coalition can bypass this outcome by sustaining long-term momentum for their change efforts. Two ways to accomplish this are the following:
  - Implement visible organizational improvements in a shorter window of time
  - Ensure that the improvements are clearly tied to the change effort
- When leaders and the guiding coalition are effective at generating short-term wins, they maintain the momentum for change that is critical to any successful change effort.

Step 7: Don't Let Up

- Use increased credibility to change systems, structures, and policies that don't fit the vision
- Hire, promote, and develop employees who can implement the vision
- Reinvigorate the process with new projects, themes, and change agents

- The seventh step for leaders and the guiding coalition is to consolidate gains and implement more change. This is a series of actions to prevent the organization from sliding into complacency and to continue organizational momentum for change.
- In this step, leaders and the guiding coalition look beyond the *low-hanging fruit* of the short-term wins to tackle other projects in the change effort for implementation. This seventh step serves two purposes. First, it prevents the organization from going back to its old way of doing things and second it combats continuing resistance to change.
- When leaders and the guiding coalition are effective at consolidating gains and implementing more change, they remove unnecessary processes, internal connections, and inter-departmental procedures that hinder the progress of the change effort.

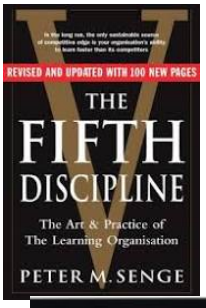
Step 8: Make Change Stick

- Articulate the connections between the new behaviors and organizational success
- Develop the means to ensure leadership development and succession

- The eighth step for leaders and the guiding coalition is to anchor change in the culture. This is a series of actions to make changes in the organization that align with the new change effort.
- The goal of this step is to take actions to ensure that the change effort becomes firmly established in the organization. Leaders and the guiding coalition make consequential changes to their organizations' norms and values, human resource processes and procedures, reward programs, training and development, and other infrastructure areas to align these areas with the new direction of the company.
- When leaders and the guiding coalition are effective at anchoring change in the culture, the change effort becomes a lasting part of the organizational culture.

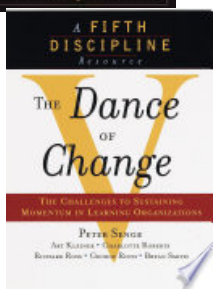
Question and Answer

8. Peter Senge-Fifth Discipline



Peter Senge wrote a book called "The Fifth Discipline." In this, he discusses the change in organizations using biological and ecological metaphors. For example, he explains why different tree seeds grow in different shapes and sizes -- because evolving processes help the tree survive.

Senge talks a lot about the challenges in another book called "the Dance of Change" and risks you will face during the change process.



Challenges while initiating change

These challenges often have similar causes in many organizations. That is because those affected:

- May not have the time to work on the change
- May not have the support to implement the change
- May not understand the change.

Source: Peter Senge (1990), **The Fifth Discipline: The Art & Practice of The Learning Organisation,** Currency: New York.
Peter Seng and *et al.* (1999), **The Dance of Change: The Challenge to Sustaining Momentum in Learning Organisation**, A Currency Book.

Challenges while sustaining the transformation
While sustaining the change, some examples of disturbances to the stability of change are:

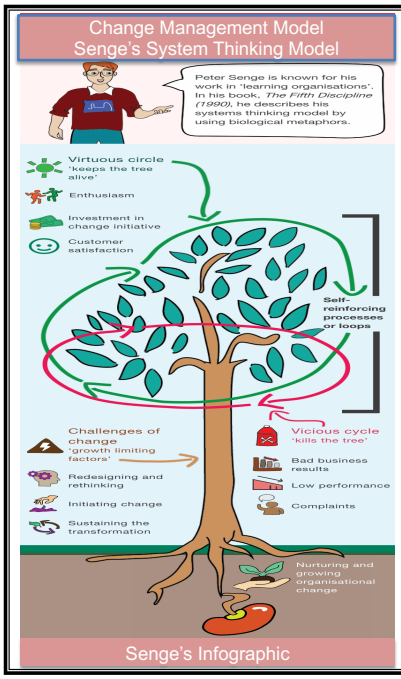
- Loss of job security
- Lack of trust between staff
- Loss of control.

Challenges while redesigning and rethinking the change process
It is very challenging to spread new practices effectively. As a result, 'self-reinforcing processes' are created. They could be either positive or negative feedback loops:
Positive feedback loops (virtuous circles) can include:

- New business practices
- New learning capabilities
- Involvement of people
- Investment in change initiatives
- Credibility
- Enthusiasm
- The will to commit.

Negative feedback loops (vicious circles) can include:

- Bad business results
- Low performance
- Complaints
- Personal issues.



Peter Senge change management model has been captured in this infographic: Systems Thinking model by biological metaphors.

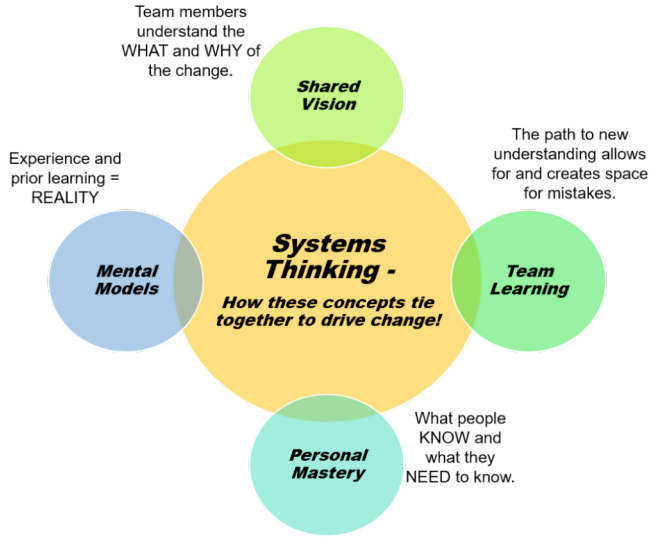
He believe that five new component technologies are gradually converging to innovate learning organization. Each provides a vital dimension on building organization that can truly "learn" that can continually enhance their capacity to realize their highest aspirations: Nurturing and growing organizational change.

Virtuous circle- Keep the tree alive: Enthusiasm, Investment in change initiative and customer satisfaction. → Self-reinforcing processes or loops.

Vicious cycle- Kill the tree: Bad business results, Low performance and complaints.

Challenges of change - Growth limiting factors: Redesigning and rethinking, Initiating change and Sustaining the transformation.

Fifth Disciplines: Give me a lever long enough and single-handed I can move the world.



Peter Senge is a leading writer in the area of learning organizations. His seminal works, **The Fifth Discipline: The Art and Practice of the Learning Organization**, and **The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization**, describe five disciplines that must be mastered when introducing learning into an organization:

- **Systems Thinking** - the ability to see the big picture, and to distinguish patterns instead of conceptualizing change as isolated events. Systems thinking needs the other four disciplines to enable a learning organization to be realized. There must be a paradigm shift - from being unconnected to interconnected to the whole, and from blaming our problems on something external to a realization that how we operate, our actions, can create problems (Senge 1990,10).
- **Personal Mastery** - begins "by becoming committed to lifelong learning," and is the spiritual cornerstone of a learning organization. Personal Mastery involves being more realistic, focusing on becoming the best person possible, and striving for a sense of commitment and excitement in our careers to facilitate the realization of potential (Senge 1990,11).
- **Mental Models** - must be managed because they do prevent new powerful insights and organizational practices from becoming implemented. The process begins with self-reflection; unearthing deeply held belief structures and generalizations, and understanding how they dramatically influence the way we operate in our own lives. Until there is realization and a focus on openness, real change can never take place (Senge 1990,12).

- **Building Shared Visions** - visions cannot be dictated because they always begin with the personal visions of individual employees, who may not agree with the leader's vision. What is needed is a genuine vision that elicits commitment in good times and bad, and has the power to bind an organization together. As Peter Senge contends, "building shared vision fosters a commitment to the long term" (Senge 1990,12).
- **Team Learning** - is important because modern organizations operate on the basis of teamwork, which means that organizations cannot learn if team members do not come together and learn. It is a process of developing the ability to create desired results; to have a goal in mind and work together to attain it (Senge 1990,13).

Lastly systems thinking makes understandable the subtlest aspect of the learning organization—the new way individuals perceive themselves and their world. At the heart of a learning organization is a shift of mind—**from seeing ourselves as separate from the world to connected to the world, from seeing problems as caused by someone or something "out there" to seeing how our own actions create the problems we experience**. A learning organization is a place where people are continually discovering how they create their reality. And how they can change it. As Archimedes said, "Give me a lever long enough … and single-handed I can move the world."

Source: Peter Senge (1994), **The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization,** Currency: New York.

Question and Answer

Summary and Conclusion

The value of exploring the theory of change management is to understand that different approaches may well suit different kinds of change situations. Change is complex and the reality of organizational life needs to be accommodated into ways of managing change. There are several implications of this need to recognize change from differing perspectives. For example:

- Managing change is about managing a process, using appropriate approaches, based on the nature of the change being managed.
- Change can be guided by perceptive facilitation, recognizing the organizational context and constraints.
- Change theory and models should be applied selectively, with thought to best fit the nature of change and to the context within which the change is occurring.
- Think about both sequential change and cyclical, iterative change.

Change management is a complex process consisting of analyzing the internal and external environment, formulation of change plan, and its implementation. The complexity of the issues coupled with the diversity and sheer number of individuals involved generally pose a serious challenge to the change management attempts. Solution is, thus, sought in properly planned or emergent approach.

Planned change initiatives provide the organization with roadmap to be follow by all and attempt to lay out the shortest path possible for the organization to travel when moving from one point to another. But, given the future's uncertainty and difficulty of enforcing plans, planned change initiatives seldom travel straight down the path laid out in formal plans. Rather, they move in the same direction as described in the plan, but they do so in small, incremental steps, testing the feasibility of plan and adjusting it as they go.

Emergent approach to change management stresses the developing and unpredictable nature of change. It views change as a process that unfolds through the interplay of multiple variables within the organizations. The rationale of emergent approach to change management stems from the belief that change should not be and cannot be solidified, or seen as series of linear events within a given period of time, instead it is characterized by unforeseen events, disruptions, breakdowns, and opportunities that emerge within that period.

Advocates of emergent change stress that there can be no simple prescription for managing organizational change successfully owing to temporal and contextual factors. So, change management is not an activity to be driven by certain experts, rather an increasingly important part of every manager's role.