LDC

Leadership Development Centre
Ara Kaiarahitanga

practical

development

success

Toolkit:

Leading Through Change

Strengthening
public sector
leadership for
New Zealand

Leading through change

What this resource is about

Over the last century, we have experienced a rapid rate of change. Technological advances have worked hand in hand with globalisation and changes in the form and demographics of our societies. Rapid change is here to stay. Because of this, being an aware and purposeful change leader is a vital aspect of leadership.

> Change has a considerable psychological impact on the human mind. To the fearful it is threatening because it means that things may get worse. To the hopeful it is encouraging because things may get better. To the confident it is inspiring because the challenge exists to make things better.
>
> King Whitney, Jr.

Change is here to stay

Change leadership is now an accepted competency of leadership, and it is important for leaders to be proactive about how they lead change.

In their book, *Developing Change Leaders,* Aitken and Higgs say: 'To a large extent, these same factors underpin the ever increasing focus on leadership in organisations and the drive to identify what it takes to exercise effective leadership' (Aitken and Higgs, 2010).

Change leadership versus change management

The terms 'change management' and 'change leadership' are often used interchangeably. However, change leadership author and professor Dr John Kotter makes a very clear distinction between them:

> Change leadership is much more associated with putting an engine on the whole change process. …It's more about urgency. It's more about masses of people who want to make something happen. It's more about big visions. It's more about empowering lots and lots of people.

(Kotter, 2011)

Change management	Change leadership
Uses tools and structures	Is about the driving forces, visions and processes
Keeps control	Can get a little out of control
Pushes the process	Is like an engine: it drives the process
Is constrained by budget and time frame	Empowers people
Tries to minimise the distraction of the change	Tries to make the process go faster, be smarter and run more efficiently

(Adapted from Kotter, 2011)

Types of change

Change can be small (for example, a change to a process or an office reorganisation) or really large (for example, a merger of agencies or moving to a new facility with changed work processes). The size of the change will dictate the resources and time frames that must be allowed, and this is the domain of the **change manager**, the person who will coordinate the change process.

As change leader, it is important to recognise both the size and type of change that you are leading. Different types of change need different leadership approaches.

The table below outlines three fundamental types of change. Change leaders focus on the third type: transformational change.

Mergers
Culture change
Remuneration changes
Moving physical location
New services and legislation
Reorganising and re-structuring
Technology and systems changes

Developmental	This type of change can be planned or emerge naturally and tends to be incremental. It enhances or corrects existing aspects of an organisation, often focusing on the improvement of a skill or process.
Transitional	This type of change achieves a desired state that is different from the existing state. It is episodic, planned and often radical. Much of the literature about organisational change focuses on this type of change.
Transformational	This type of change is sustainable and requires a shift in assumptions. It can result in a significantly different organisation in terms of structure, processes, culture and strategies.

(Adapted from Aitken and Higgs, 2010)

The essential process of change

The Three Phase Model of Change

| Unfreeze | Mobilise | Refreeze |

- Dissatisfaction with the status quo
- Create the case for change

- Identify and mobilise the resources required to effect the change

- Embed new ways of working into the fabric of the organisation

Adapted from Lewin (1947) cited in Aitken & Higgs (2010)

Essentially, change follows the three-phase model outlined above. The third phase—refreeze— is often difficult to move into but is essential in presenting the results of the change process.

Dr Kotter has developed eight steps to take in helping organisations move through the three phases of change. However, he adds a cautionary note for any leaders who follow his steps:

Leaders who successfully transform businesses do eight things right (and they do them in the right order).

(Kotter, 2000)

Kotter's eight steps to transforming your organisation

Adapted from Kotter, 2000.

Step	Actions needed	Pitfalls
1. **Establish a sense of urgency**	• Examine the market and competitive realities for potential crises and untapped opportunities. • Convince at least 75 per cent of your managers that the status quo is more dangerous than the unknown.	• Underestimating the difficulty of driving people from their comfort zones • Becoming paralysed by risks
2. **Form a powerful guiding coalition**	• Assemble a group with a shared commitment and enough power to lead the change effort. • Encourage the group members to work as a team outside the normal hierarchy.	• Having no previous experience in teamwork at the top • Relegating the team leadership to an HR, quality or strategic-planning executive rather than a senior line manager
3. **Create a vision**	• Create a vision to direct the change effort. • Develop strategies for realising that vision.	• Presenting a vision that's too complicated or vague to be able to be communicated in 5 minutes
4. **Communicate the vision**	• Use every vehicle possible to communicate the new vision and strategies for achieving it. • Teach new behaviours by the example of the guiding coalition.	• Under-communicating the vision • Behaving in ways contrary to the vision

Stage	Actions needed	Pitfalls
5. Empower others to act on the vision	• Remove or alter systems or structures that undermine the vision. • Encourage risk taking and non-traditional ideas, activities and actions.	• Failing to remove powerful individuals who resist the change effort
6. Plan for and create short-term wins	• Define and engineer visible performance improvements. • Recognise and reward employees who contribute to those improvements.	• Leaving short-term successes to chance • Failing to score successes early enough (12–24 months into the change effort)
7. Consolidate improvements and produce more change	• Use increased credibility from early wins to change systems, structures and policies that undermine the vision. • Hire, promote and develop employees who can implement the vision. • Reinvigorate the change process with new projects and change agents.	• Declaring victory too soon—with the first performance improvement • Allowing resistors to convince 'troops' that the war has been won
8. Institutionalise new approaches	• Articulate the connections between new behaviours and the organisation's success. • Create leadership development and succession plans that are consistent with the new approach.	• Not creating new social norms and shared values that are consistent with the changes • Promoting people into leadership positions who don't personify the new approach

For help in planning change, please open *Planning for change—worksheet,* from the webpage for this toolkit.

1. Establishing a sense of urgency

This first step lays a foundation for the change. The work that you do here provides a guiding purpose for the change. In the middle of the change, it will be helpful for people to remember that there was a sense of urgency and a clear mandate for beginning the process. It is worth being thorough in your approach to this step. Change requires people to move out of their comfort zones, so you will need to employ all of your communication skills and persuasion techniques.

You will need to make sure that you have your facts assembled, a clear case for change and your key people on board as you instigate the change process.

2. Forming a powerful guiding coalition

To be successful at step two, you need to create a group that will champion the change. This group needs to be able to reach a wide audience to promote the change. The group needs to have senior members to provide authority, yet it should work with as little hierarchical process as possible:

> Senior managers always form the core of the group. But sometimes you find board members, a representative from a key customer, or even a powerful union leader.

(Kotter, 2000).

3. Creating a vision

Step three requires you to create a vision. Once you have created your vision, you must communicate it (step four), and then people must be empowered to enact it (step five).

In creating your vision, clarify how the future will be different from the past and how you can make that future a reality. The vision must be something that people can grasp with confidence and pass on to others. It should be easy to articulate, specific and easy to imagine.

4. Communicating the vision

During step four, you will be communicating your vision. Kotter points out two things to watch for during this phase: under-communicating the vision and behaving in ways that contradict your vision. At this stage, seek advice from communications experts about effective communication techniques.
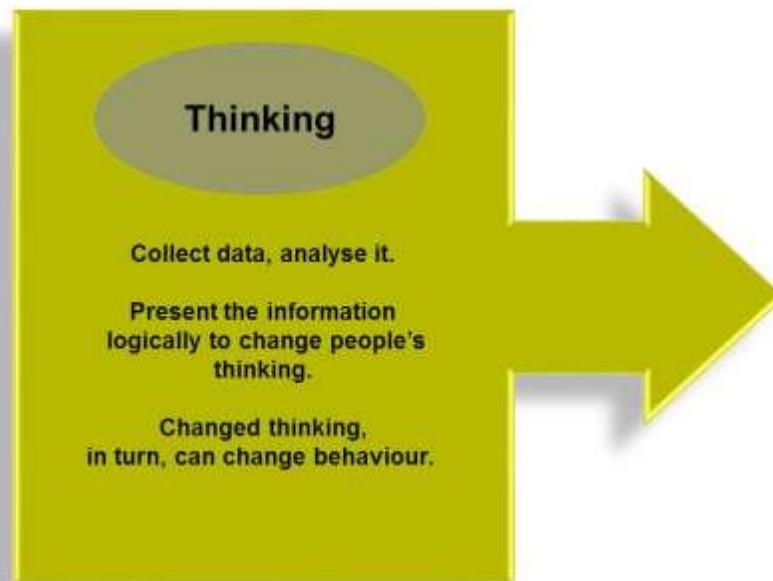
By this step, your vision will be so familiar and obvious to you that you may not communicate it as effectively as you would if you were coming in fresh to the subject. Use as many communication channels as you can to reach your audience and don't assume that people have heard your message. Sometimes it seems wise to say nothing until you have something new and useful to say. However, this is a dangerous assumption—rumours will be generated to fill silences.

The role of thinking and feeling

When communicating your vision, keep in mind that you need to appeal to both heads and hearts: the thinking and feeling aspects of your audience.

Sometimes a logical appeal will help promote your vision, but appealing to emotions can increase the impact of your message. This is why advertisers sell their products by telling you how good you will feel when you use their products rather than tell you the specifications of their products. The diagram below describes how appealing to **thinking** is useful but appealing to **feeling** is better.

Feeling differently can change behaviour MORE and lead to even better results.
Kotter 2006

Thinking
Collect data, analyse it.
Present the information logically to change people's thinking.
Changed thinking, in turn, can change behaviour.

Feeling
Create surprising, compelling, and if possible, visual experiences.
The experiences change how people feel about a situation.
A change in feelings can lead to a significant change in our behaviour.

Five leadership styles

Steps five, six and seven of Kotter's transformation plan remind you to:

- empower others to act on your vision
- plan for and create short-term wins
- consolidate improvements and produce more change.

These steps require you to use different leadership styles depending on the type of change you are seeking to instigate. The table below, adapted from Aitken and Higgs (2010), lists five different leadership styles to choose from when enacting change and the advantages and disadvantages of each style.

Approach	Features	Advantages	Disadvantages
Directive	- Focuses on the leader's right to direct the change - Little involvement of other people	Can be undertaken quickly and can be used for smaller, less complex changes	- Misses out on valuable contributions - Can provoke resistance
Expert	- Generally used for technical changes - Usually involves a specialist leader	Is driven by a small group of experts so can be undertaken quickly	- The expert opinion may not be agreed with - Can provoke resistance
Negotiating	- Uses negotiation and bargaining - Involves making adjustments and concessions	Acknowledges affected people	- Takes longer to enact - Adjustments may result in the loss of some important facets of the plan
Educative	- Wins hearts and minds - Changes people's values and beliefs	Creates positive commitment	Takes longer to implement
Participative	Intense involvement of affected parties	Creates positive commitment and develops ownership of the change	Uses large amounts of resources and time

Resistance to change

There is nothing worse than having people resist the change that you are leading. Resistance slows down the change process and affects the foundation step of creating a sense of urgency. It also introduces confusion. If the change is difficult and you are under some stress, it will be tempting to ignore or enter into conflict with those who are resistant to the change. While it might be easiest to keep resistors out of the change process, you may need to try to 'win over' some resisters in order to progress your desired change—resisters can have a huge influence on how well the change does or doesn't progress.

Why people resist change

- The reason for change has been poorly communicated:
  Poor communications about the change (purpose, scope, timetables, personnel, etc) can lead to ambiguity and confusion and can trigger negative reactions among employees. Employees need to know what is going on, especially if their jobs are going to be affected. Informed employees tend to have higher levels of job satisfaction than uninformed employees.
- The change threatens jobs, power and status in an organisation as well as established patterns of working relationships.
- The benefits and rewards from the change do not seem to outweigh the effort involved in processing the change.

(Adapted from Aitken and Higgs, 2010)

In their article 'Choosing strategies for change' (2008), Kotter and Schlesinger outline six approaches to addressing the common forms of resistance to change. These approaches, along with their advantages and disadvantages, are explained in the table below.

Approach	Commonly used in situations where	Advantages	Disadvantages
Education + communication	There is a lack of information or inaccurate information and analysis	Once persuaded, people will often help with the implementation of the change.	Can be very time consuming if lots of people are involved.
Participation + involvement	The initiators do not have all the information they need to design the change and others have considerable power to resist the change	People who participate in the change will be committed to implementing it, and any relevant information they have will be integrated into the change plan.	Can be very time consuming if participants design an inappropriate change.
Facilitation + support	People are resisting because of adjustment problems	No other approach works as well with adjustment problems.	Can be time consuming, expensive and still fail.
Negotiation + agreement	Someone or some group will clearly lose out in a change and that person or group has considerable power to resist the change	This can be a relatively easy way to avoid major resistance.	Can be too expensive in many cases if it alerts others to negotiate for compliance.
Manipulation + co-optation	Other tactics will not work or are too expensive	This can offer a relatively quick and inexpensive solution to resistance problems.	Can lead to future problems if people feel manipulated.
Explicit + implicit coercion	Speed is essential and the change initiators possess considerable power	This approach is speedy and can overcome any kind of resistance.	Can be risky if it leaves people mad at the initiators.

'Refreezing' the change

Step eight of Kotter's transformation plan involves institutionalising the new approach or 'refreezing' the change. Once the change has been instigated, it is important to make it become part of the organisation's culture; make it become the 'way we do things around here'.

Once the pressure of the actual change has lifted, it is easy for people to return to what they knew before, and a sense of disorientation can develop. Kotter suggests that it is important to continue communicating clear connections between new behaviours and the success of the organisation.

All processes need to promote the new way of operating—starting at recruitment and leading right through to leadership development. It is your role as the change leader to continue to promote the new way of working until it becomes the 'new normal'. Sometimes this process can take months as people slowly encounter the change and integrate it into their way of working. As a change leader, it is important that you continue to challenge behaviours that work counter to the change you are trying to embed; making sure that those who move into leadership positions during the transition period are promoting and modeling the new approach.

Following the change, it is likely that some of your champions will move on from the organisation to find new challenges. You need to recognise and plan for succession. You need to plan to develop people who will champion the change into the future, making sure that your hard work, and that of your organisation, continues to reap the expected rewards.

Sources

Aitken, P., Higgs, M. (2010). *Developing Change Leaders: The principles and practices of change leadership development.* Oxford: Butterworth-Heinemann.

Kotter, J. P. (1999). *What Leaders Really Do.* Boston: Harvard Business School Press Corporation.

Kotter, J. P. (2000). Leading change: why transformation efforts fail. In H. B. Council, *Classics Compendium:15 must read articles for managerial success.* Boston: Harvard Business School Press Corporation, pp. 122–32.

Kotter, J. P. (2006). *Our Iceberg is Melting.* London: Macmillan.

Kotter, J. P. (2011). Change management vs. change leadership—what is the difference? *Forbes*, 12 July. Retrieved 24 May 2013 from: www.forbes.com/sites/johnkotter/2011/07/12/change-management-vs-change-leadership-whats-the-difference/print/

Kotter, J. P., Schlesinger, L. A. (2008). Choosing strategies for change. *Harvard Business Review*, July. pp. 130–9.