INTRODUCTION

In today’s fast-paced, technology-driven world, change is inevitable. Organizations face both large and small-scale changes on a daily basis, and employees are expected to accept these changes with positive attitudes or risk being replaced. A question emerges in light of this rapidly evolving organizational landscape: how can managers and upper level executives implement large-scale changes in their organizations in a way that reciprocates positive acceptance from their employees?

This question will guide the remainder of this learning session as we attempt to:
- Discover how change is observed from both an employee and organizational standpoint
- Analyze organizational scholars’ various approaches to managing change
- Determine what strategies can be utilized in the change process to ensure successful results

CHANGE IS HARD

>> Employee Perspective

Change. This word alone can cause some people to shudder, and some to be filled with excitement and anticipation. Regardless of your perspective on the topic of change, in the workplace, change is something that all employees will be asked to deal with at some time throughout their careers.

In order to better understand the ways that change functions interpersonally, let’s try this activity.

>> Exercise I: Demonstrating Change

Change Your Look

- Partner up with your learning session group member.
- Stand facing your partner.
- Determine which partner will observe and which will make changes.
- The observer should study their partner’s appearance for 10 seconds.
- The observer from each pair should close his/her eyes.
- The other partner from each pair will make five changes to their physical appearance. This could mean moving their watch from one wrist to the other, removing a shoe, taking off jewelry or a tie, or removing their glasses. This partner has 30 seconds to complete the changes.
- After the 30 seconds, participants may face each other again, all eyes open.
- The observer will be asked to identify as many changes as possible.

Discussion Questions

- How did it feel to be asked to make so many changes?
- What are some things that make people resistant to change?
- What can you do to make it easier for people in your organization to accept the changes?
As we just demonstrated, even small-scale changes can make people uncomfortable and resistant. Research has shown that perspectives on change seem to fall within one of two categories:

- Pro-change: Employees that are for change are typically involved in the process
- Anti-change: Employees that are against change are usually involved in areas within the organization with a high level of uncertainty

In light of the inevitable change that we all face within the workplace, what strategies can employees utilize to make the best of a large-scale change?

**Helping Yourself**
- Focus on things you can control, let go of things you can’t

**>> Exercise II: Responding to Change**

Take a few minutes to fill out this chart based on a recent change you’ve gone through.

<table>
<thead>
<tr>
<th></th>
<th>Can Control</th>
<th>Can’t Control</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Take Action</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Take No Action</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition to determining what we can control and can’t control, other strategies for managing change from an employee perspective include:

**Supporting Others**
- Listen
- Be visible and accessible
- Be open and honest
- Acknowledge and validate other’s emotions
- Ask questions and start a dialogue

**Leading Others**
- Systematically assess and respond to employees’ questions and concerns
- Communicate effectively: provide clarity and context --> enhance connection and instill confidence
CHANGE IS GOOD

>> Employer Perspective

As we've just learned, change is often a touchy subject with employees and must be handled with care. How can employers not only implement, but also inspire, meaningful change in their organizations without risking mutiny among their personnel?

Scholars have weighed in on this important question for decades, and perhaps the most influential research in this area is Dr. John Kotter's 1996 change management guidebook *Leading Change*. Kotter here outlines “The 8-Step Process for Leading Change,” with each step corresponding to a problem organizations face in enacting change.

**The 8-Step Process**

**STEP 1: Creating a Sense of Urgency**

Kotter's first step corresponds to the issue he has identified as “allowing too much complacency.” Complacency plagues organizations that believe that the status quo is good enough and change is not needed. When upper level executives fail to foster a sense of urgency among middle-level managers and other employees, complacency becomes the norm. Kotter explains, “This error is fatal because transformations always fail to achieve their objectives when complacency levels are high” (4). In response to this issue, Kotter encourages managers to create a sense of urgency for the change, leading the organization to realize how imperative it is that transformation occur.

**STEP 2: Building a Guide Coalition**

Kotter continues with the second problem in organizational change, “failing to create a sufficiently powerful guiding coalition.” This error occurs when organizations fail to unite a group of people from various levels and departments within the company who will be strong advocates for the changes and communicate these to their peers and direct reports. Kotter encourages organizations to recognize that this coalition plays a vital role in ensuring the changes are viewed positively by members of the organization rather than causing panic.

**STEP 3: Developing a Change Vision**

The third problem facing organizations when they try to enact change is “underestimating the power of vision.” Kotter explains that despite the research, planning, and forethought that can go into executing a change, if a strong vision of what the change will accomplish isn’t made clear to members, the change effort will fail. Kotter states, “A useful rule of thumb: Whenever you cannot describe the vision driving a change initiative in five minutes or less and get a reaction that signifies both understanding and interest, you are in for trouble” (8-9). Organizations must develop a strong change vision that will guide their transformation process.
STEP 4: Communicating the Vision for Buy-In

Kotter’s fourth problem is related to vision and titled “undercommunicating the vision by a factor of 10.” He explains that even when organizations can develop a strong vision to guide their change efforts, if this vision is not communicated in both “words and deeds” (10), employees may view upper level management as hypocrites who say one thing and do another. In order for the change to be effective, all members of the organization must feel that they understand the vision guiding the initiative, and witness their superiors carrying out the actions.

STEP 5: Enable Action by Removing Barriers

This step corresponds to Kotter’s fifth issue, “permitting obstacles to block the new vision” (11). Here Kotter explains that even in the most well-managed change efforts, obstacles will surely arise, and how members handle these obstacles can influence the outcome of the change. By focusing on action rather than these barriers, organizations can maintain the change initiative.

STEP 6: Generate Short-Term Wins

Kotter’s sixth issue in organizational change is “failing to create short-term wins.” In this error, organizations fail to recognize small victories as they happen, and risk employees becoming burnt out as the changes continue to occur. Kotter explains, “Most people won’t go on the long march unless they see compelling evidence within six to eighteen months that the journey is producing expected results” (11). This step requires organizations to celebrate victories that may seem small but inspire better results in the long-term.

STEP 7: Sustain Acceleration

Kotter’s seventh step responds to the error “declaring victory too soon.” This issue plagues organizations that determine that the changes have been successfully enacted too early. Instead of announcing a victory early on in the change process, Kotter challenges organizations to allow themselves time to fully implement the necessary changes and accept that timelines must sometimes be adjusted to ensure success.

STEP 8: Anchor Change in the Culture

The final error, “neglecting to anchor changes firmly in the corporate culture,” is perhaps the most important for ensuring that the changes stick with the organization long-term. Kotter points out, “...change only sticks when it becomes ‘the way we do things around here,’ when it seeps into the very bloodstream of the work unit or corporate body” (14).

Kotter’s 8-Step Process offers employers a tangible approach to managing change within their organizations. In the following case study, certain elements of Kotter’s approach can be seen as factors in the organization’s successful change implementation. Take a look with us at this case.
In groups of four, take 10 minutes to read this case and discuss the following questions.

- What elements of Kotter’s 8-step process can be seen here?
- What were the differences between Business Unit 1 & 2’s approaches to the change?
- How can organizations model this change process?
- How could the process have been improved?

The Case: Texas Children’s Hospital

Introduction

Texas Children’s Hospital in Houston began an extensive expansion in 2006 which included the addition of four new buildings, new service lines, and new programs. The expansion included increasing the employee population from 6,600 to 9,000 and transitioning from a paper to an electronic medical records system. The timetable for all of these changes was four years.

The new electronic medical records system would provide immediate access to patient records throughout the organization with the goal to improve patient care and safety. The first implementation phase was launched in two large business units. To make the transition, a change initiative process was created.

The Process

The first step in the process was to create a change management team. The team worked closely with the project implementation team and senior leaders to devise activities that would lower employee resistance and build commitment for the initiative. Activities included the creation of a change agent network and conducting dress rehearsal activities.

Senior leaders selected the employees who became change agents. They served as “on-the-ground” peer champions for the change management team. They shared ongoing information, reminders, and tips about the initiative with their peers. Change agents networked with each other by holding periodic meetings and conference calls throughout the initiative. The dress rehearsal activities were actually real-life simulations to help users practice with the new system before it went live and to create buy-in. These activities also helped identify any potential issues that might not otherwise have been seen before going live.

The business units involved in the initiative each had unique characteristics. Overall the same basic change management strategy, processes, and tools were available for each unit. The degree to which the change management practices were utilized by the unit’s leadership team differed greatly.

A Tale of Two Business Units

During the planning phase of the project, Business Unit 1 demonstrated strong executive support and involvement in the project as a whole, and specifically the change management activities. The business unit’s executive closely partnered with the change management team, discussing various change management ideas and concepts; tailoring tools and activities to better meet the needs of the business unit; and consistently participating in change management events and activities. A clear example of her commitment was her sponsorship of the change agent network. She publicly
championed the network to leaders and staff. Leadership from Business Unit 1 encouraged and held change agents accountable for fulfilling their responsibilities in the role, which ensured ongoing participation and follow-through.

Another clear example of this executive’s support was her willingness to champion dress rehearsal activities. She conducted a careful review of the planned activities to ensure they were appropriate for each area, and required participation for all end users. Following the dress rehearsals, the executive reviewed the status report from each site.

Leadership from Business Unit 1 also demonstrated a commitment to end user engagement activities throughout the project. They set up project road shows and individual visits by project team members to each impacted area prior to the go-live. These visits allowed team members to gain understanding about specific site needs and considerations while personally connecting with end users. The visits also helped build excitement for the changes through demonstrations and informative conversations with end users.

In addition to site visits, the leadership team from Business Unit 1 ensured leaders and staff received on-going and frequent communications throughout the project. These tailored communications from business unit leadership provided key status updates and reminders. These frequent communications helped end users feel more engaged and less anxious about the changes that were occurring.

**Business Unit 2** implemented the new system two months after Business Unit 1. Though the leaders agreed to engage in the same change management activities employed with Business Unit 1, they demonstrated less active support of the activities to the end users. The leaders complied with general requests, however few leaders reached out to the selected end users to show their support and encouragement or participated in the various end user engagement meetings to demonstrate sponsorship. Throughout the phases of the project, Business Unit 2’s end user participation in change management activities steadily decreased.

Most areas in Business Unit 2 failed to engage in the dress rehearsal process. Many leaders from Business Unit 2 failed to review the dress rehearsal activities or to check for applicability to their specific areas. Few made the activities mandatory or actively encouraged their staff to participate. As a result, the percentage of staff who participated in Business Unit 2’s dress rehearsals was significantly less than the percentage from Business Unit 1.

In contrast, communications for Business Unit 2 were primarily project driven; end users received general communications from the project team, but minimal information from local leadership. There was less active involvement from leaders of Business Unit 2 to provide updates and communications about what to expect and how to prepare.

Texas Children’s conducted surveys throughout the process to measure their change management efforts, and comparisons of data between the business units for the 90 Day Post Go-Live Surveys show that while favorable results for Business Unit 1 increased an average of 8%, results for Business Unit 2 only increased an average of 1% overall. Through there are many possible reasons for the significant differences in improvement, the survey data for each business unit underlines the importance of effective change management practices on the overall success of the project.

*Adapted from “Helping Employees Adapt to Change at Texas Children’s Hospital” by Stephanie Elam and Tammy Christensen and “Making Change Work” by Tony Laffoley*
Expanding on Kotter’s Model

We’ve now been introduced to a case that demonstrates the importance of having a defined change process in order to foster a successful organizational transition. Kotter’s 8-step method is widely accepted as an important and influential concept in change management studies, as it offers a step by step guide for how to effectively create an organizational environment that not only accepts change, but also feels inspired by the new ways of working. **Kotter’s model does not offer, however, any opportunity to amend or revise the 8-step plan according to contextual concerns the organization may have.**

According to authors S.H. Applebaum, et. al. in their article “Back to the Future: Revisiting Kotter’s 1996 Change Model,” Kotter’s method is based purely on his own personal experiences and observations rather than empirical research. They explain how unusual it is for a scholarly work to be so void of outside research or references and yet still see the success that *Leading Change* has throughout the years. They attribute this anomaly to the fact that there isn’t much empirical research on the topic of change management even today, and certainly not when Kotter was first explaining his theory. Applebaum, et. al. do explain, however, that there are certain limitations to Kotter’s model in that it doesn’t offer organizations many opportunities for changing the steps to meet the needs of their employees and corporate culture.

Tony Laffoley echoes this concern in his article titled “Making Change Work,” in which he explains that one missing piece from Kotter’s plan is “the importance of listening to employees and being curious first” (7). Laffoley points to scholar Ken Blanchard’s change model as one that is similar to Kotter’s but takes employee concerns into account at the beginning of the process, before the change initiative really gets underway.

**Blanchard’s change process operates on the concept of concern.** He explains that although there are many issues that can disrupt a change effort (like Kotter), two main reasons exist that can make or break a change initiative:

1. “People leading the change think that announcing the change is the same as implementing it. They do not provide people with the information they have that would persuade people of the need to change. They do not provide ongoing leadership or speak with one voice throughout the change process. As a result, the people impacted by the change do not really believe there is any sense of urgency or compelling reason to change. When change is driven primarily by top leadership, the change will probably fail because of a lack of buy-in due to low involvement” (2).

2. “People’s concerns with change are not surfaced and/or addressed. Although they may comply with the change early on, unresolved information, personal, or implementation concerns will cause them to revert back to old behaviors and work processes when the pressure to change is off” (2).
Blanchard’s first point addresses concepts that are covered in Kotter’s model. His second reason, however, diverges from Kotter’s model and focuses on various stages of concern that employees feel during a change initiative. He breaks these concerns down into six stages: Information Concerns, Personal Concerns, Implementation Concerns, Impact Concerns, Collaboration Concerns, and Refinement Concerns. These stages of concern shape Blanchard’s approach to change, one he characterizes saying: “The success of total change depends on the success of individual change multiplied dozens or hundreds of times over” (3).

Blanchard’s change model, like Kotter’s, offers organizations a tangible process for initiating change. Unlike Kotter, however, Blanchard emphasizes the importance of the individual in the change model, encouraging organizations to involve employees in the change effort from day 1, allowing concerns to surface and be resolved throughout all steps in the change initiative.

Like Laffoley explains, a focus on the individual, on actually listening to employee concerns in the first stages of the change process, seems to be missing from Kotter’s model. By implementing a strategy that takes certain tangible steps from Kotter’s model and the core focus on the individual from Blanchard’s (weaving other change process models in as needed), organizations can ensure that their employees are not only content, but inspired, and progress into the future with confidence.

**TAKEAWAYS**

Take a five minutes to write down three takeaways from today’s session.

[Image of a crown with text: KEEP CALM AND TAKE AWAY]
REFERENCES


