



Leading Transformative Change

A Conversation With John Kotter

The third installment in *School Administrator's Thought Leadership Series* features **John P. Kotter**, one of the world's preeminent scholars on organizational change and the author of multiple books, most recently *That's Not How We Do It Here! A Story About How Organizations Rise and Fall ... and Can Rise Again*.

Kotter, the emeritus Konosuke Matsushita professor of leadership at Harvard Business School, was interviewed by **Larry Nyland**, a retired superintendent who had tenures leading four Washington school districts over 24 years: Seattle, Marysville, Pasco and Shoreline.

The author of *Leading Change, Our Iceberg Is Melting* and *Accelerate: Building Strategic Agility for a Faster-Moving World*, among other works, Kotter was a General Session speaker at AASA's 2007 National Conference on Education. The Leading Bold Change certification workshop that is based on his work was conducted for school leaders at AASA headquarters in 2011.

In Nyland's interview, Kotter discusses the differences between leadership and management, the evolution of organizational management and the importance of having a collaborative network to grow new ideas and new leadership.

Acknowledging the challenges of leading in unsettling times, Kotter shares insights about how a "faster-moving, more complex, more unpredictable world" is bumping into organizations that weren't designed to function well in such a world. Although going "back to normal" is a "fantasy," he says, the uncertainty of the moment can lead to positive outcomes for all of humanity.

This interview has been edited for clarity and length. A fuller version can be found on the website edition of *School Administrator* at aasa.org/SAlthoughleaders.aspx.

LARRY NYLAND: Thank you for doing this interview. I'm a fan of your work. *Leading Change* provided a great change framework and then *The Heart of Change* added the emotional side of change. Your book *Urgency* challenged me to "call an emergency" to move the school district forward. And most recently, *Accelerate* provides great ideas for innovation.

So first question: *Time* magazine lists *Leading Change* as one of the top leadership books of our time because it transformed the way we think about change. How so? How does your work transform our thinking on change?

JOHN KOTTER: Until *Leading Change* came out, virtually all of the material on change was talking about *managing* change: Plan change, organize it and keep it under control.

The Leading Change research project is much more about *leadership*, not management. The two are different. They serve different purposes.

There is, we found, a pattern in large-scale change — how things lead to good outcomes and where people get bogged down. *Leading Change* was the first book

to present that pattern of common mistakes and the process behind quite remarkable transformations. And since that was published, the rate of complex change and uncertainty has continued to go up. Ponder COVID and the middle two weeks of March 2020.

NYLAND: In *Accelerate*, you say seven out of 10 change initiatives fail. What have you learned from your management teams around the world? Have you been able to improve those odds?

KOTTER: As an educator at Harvard and as an individual adviser to companies, I simply didn't have the time to work as a detailed adviser to even one large organization. But I wanted to. So I started a management consulting company. From three of us, today the firm has grown to having 10 outposts in the United States, two in Europe and one in Asia. It focuses only on large-scale change and transformation.

Through the consulting firm, I have been able to see, with my own eyes, that it is possible to turn the science of my research into a consulting art. It is possible to help the right people become those one or two or three cases out of 10 who really do succeed in changing more, better, faster, smarter. We've learned that it's possible to help people mobilize others to achieve results through change that, before we started, they couldn't imagine — and at speeds that broke any record of what they perceived to be possible.

I'm very upbeat about the possibilities for transformative change. I've seen it up close and watched it actually happen.

The challenge is that we're not dealing with a static target. The target is moving and it's becoming tougher. As uncertainty, speed and complexity go up, the number of change initiatives that a typical corporation deals with has been going up. The complexity of making things happen fast enough has become greater.

So, even though the managerial world is more sophisticated now than when I wrote *Leading Change*, the challenge has grown at least as much, if not more, leaving us in that same position where the vast majority of strategic change initiatives turn out to be at least somewhat disappointing.

NYLAND: In *Accelerate* and *That's Not How We Do Things Here!*, you advocate for a dual operating system where both leadership and management are important. That seems to be another leap forward in terms of your leadership work.

KOTTER: Most people take large organizations for granted, but they haven't always existed. Even after the end of the Civil War, the number of organizations with more than a hundred employees was very, very limited. The economy was all small farms, small shops, small manufacturing. But then the industrial revolution, with new sources of power, opened up opportunities for large-scale, much cheaper, much more reliable production. That in turn required economies of scale and larger, much larger enterprises, which, in a sense, had to be invented.

There wasn't even management education until Wharton opened up an undergraduate degree in the 1880s. It didn't exist. The first graduate degree in management was Harvard in 1908.

Management consulting did not really exist until the beginning of the 20th century. James McKinsey, for example, was a professor at the University of Chicago who started a consulting firm to teach companies this wildly new thing called budgeting, and he did quite well.

Management as we know it was thus invented out of necessity by companies and universities and consultants to help do what was not possible before, which is to get large-scale, highly efficient, highly reliable production of goods that people

Larry Nyland has seen the impact of John Kotter's ideas on educators over his 24 years as a superintendent in Washington state.



PHOTO BY BELLO DONDANMARYSVILLE SCHOOL DISTRICT 25, MARYSVILLE, WASH.

wanted and needed. It was not invented to cope with ever-changing technology and a globally changing world.

Management is still essential to making sure that the store opens each day, customers are served, products are made, quality and service are delivered as promised. That's essential. But the needed obsession with reliability and efficiency and control can stand in the way of change.

At the consulting firm, we have, from the start, been taking the processes described in my early books and applying them with clients and getting terrific results. One of our first clients developed a whole go-to-market strategy that helped them come out of the 2008 recession remarkably better than the executives thought was possible. Their stock in two years went from mid-20s to 60 (dollars per share).

And as I said before, since that time everything has been just changing more and faster and with more uncertainty and complexity. Today, a number of people are waiting for the world to go back to pre-COVID. But the notion that everything is going to become stable and predictable and you can go back to just running something well on a daily basis is a total fantasy. In fact, it's just the opposite. We're going to get more and bigger change coming at us. And it is increasingly hard to predict exactly what and when various external changes will hit us.

To handle that reality, you need to add a more permanent built-in system, to work with management and hierarchy and controls. It is a different system — more of a network than a hierarchy. More leadership than management. It is much more flexible and dynamic. Networks reorganize themselves spontaneously. Introduce it correctly and people will volunteer to be a part of this because they want to. There's something in it that touches their own sense of meaning and purpose. Informal networks have the capacity to reorganize themselves weekly, monthly.

We did a historical study of organizational life cycles and found that, for virtually all forms of organization, when they first started, they looked more like the network side: fast, agile, informal, no policies, hierarchies, budgets, etc. But if they're successful, they start growing management and hierarchy. For a while, they have both working together. They have the main work force that does the work every day and a subgroup that kind of bounces in and out of the network side to handle change initiatives.

Over time, the hierarchy grows to handle the larger scale of services being provided. It tends to



John Kotter, of the Harvard Business School, has been an enduring force known for his principles of proactive organizational change.

hate uncertainty, so it kills off the network. You end up with a typical bureaucratic organization.

We found that you could grow a new version of the network side. The two could work together, one side making the organization reliable — producing quality of service — and the other side, the network side, finding new opportunities and mobilizing people to change and take advantage of those opportunities.

NYLAND: One of your books, *Urgency*, caused me as a school superintendent to say, in the middle of the year, “Stop, we’ve got an emergency. We have to do something different.” Too many people were telling me, “We’ll fix that next year.” But our students wouldn’t have a next year. We had to do something now. So what are your ideas on urgency? I guess we have built-in urgency with COVID right now.

KOTTER: One of the things that we’ve been studying in the past four years, and we’re writing about now, is the neurosciences — the study of brain-body hardwiring.

As we apply neuroscience to organizations,

it’s very clear that we all have built into us a very, very powerful system that’s all about survival. When the brain sees something that it perceives as a threat, it sends out chemicals that get our emotional systems anxious or angry. All this happens unconsciously — in a second, literally. Once upon a time, that’s how we didn’t get eaten by saber-toothed tigers.

There’s a second system that is more oriented toward helping us not only survive but thrive and prosper. That system is more oriented toward opportunity. The chemicals don’t spike. Our emotions do pump up, but the emotions tend to be more excitement and fun and passion. Our minds don’t narrow. Often, they will broaden to take in the context, to understand the opportunity and try to figure out how to do something about it.

When this thrive system works well, that energy can be maintained for significant periods of time, not just a short time, and as long as there’s feedback so that the brain thinks we’re making progress, it can keep going until we capitalize on that opportunity.

The problem today is there is so much going on — the economy, COVID — that is upending people’s lives. Your survival system starts seeing threats, and if it gets overheated, it doesn’t function that well. When it overheats, it tends to shut down the thrive system. People stress out and ignore what you and I might objectively see as a great opportunity.

NYLAND: So we can actually have too much urgency that triggers our survival radar. Better instead is what you call an “opportunity” statement that triggers the thrive system.

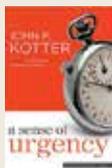
KOTTER: Right, right. Exactly. Right now, because of the economy and COVID, thousands of businesses are going through restructurings. Often, that includes layoffs, setting off the survive radar. People are hunkering down and stressing out. Even if they have bosses trying to talk to them about the opportunities, they don’t have the bandwidth, they’re so bogged down in survival.

A marvelous example is Kraft-Heinz. A private equity firm took them through a two-year restructuring that cut out \$2 billion worth of expenses. The management and employees became more and more stressed out, defensive, watching out for No. 1.

During those two years when product innovation went to zero, the market was shifting, with a heavier emphasis on healthier items. Newer, smaller firms just raced right past Kraft-Heinz.

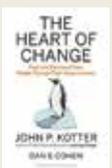
Books by John Kotter

Several other books by John Kotter have important applications for school system leaders. Here’s what I see as their relevancy.



▶ ***A Sense of Urgency*** (2008). At least 70 percent of change initiatives fail. In this work, Kotter shows how to build and keep momentum for change.

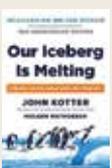
▶ ***Leading Change*** (2012). Kotter delivers an eight-step process for proactive change leadership. This book changed the way I think about change, and it’s become the leading blueprint for successful change worldwide.



▶ ***The Heart of Change: Real-Life Stories of How People Change Their Organizations*** (2012).

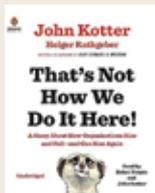
Changing behavior is hard. It’s about thinking and feeling. This work, co-authored with Dan S. Cohen, shows how to win hearts and minds in making successful change.

▶ ***Accelerate: Building Strategic Agility for a Faster-Moving World*** (2014). The pace of change continues to “accelerate.” Five-year plans are not enough. *Accelerate* provides five core principles for creating continuous, and successful, innovation.



▶ ***Our Iceberg Is Melting: Changing and Succeeding Under Any Conditions*** (2016). Co-authored with Holger Rathgeber, this slim volume captures Kotter’s eight-step change process in story form. The easy-to-read metaphor makes it easier to talk about needed changes in an organization.

▶ ***That’s Not How We Do It Here! A Story about How Organizations Rise and Fall — and Can Rise Again*** (2016). A short story, co-written with Holger Rathgeber, illustrates the principles in *Accelerate*. The summary at the end introduces the idea of continuous innovation as a way to overcome the common roadblock: “That’s not how we do it here!”



Kotter plans to publish a new book this summer addressing, he says, “how some people are today mobilizing others to create hard-to-imagine results despite the uncertainties, rapid change and volatility from COVID and many other sources.” It draws from brain science as the basis of a practical, emerging theory of change based on brain research, organizational studies and social anthropology.

— LARRY NYLAND

They lost market share. They lost people. They lost money over a two-year period. Warren Buffett, the amazing investor, lost \$22 billion on this deal.

It's an interesting example of how a faster-moving, more complex, more unpredictable world is bumping into not only organizations that weren't designed for it, but human nature that wasn't designed for it.

NYLAND: That seems to fit perfectly with where we are right now in the midst of the COVID pandemic. School leaders and communities have high anxiety about holding school in person or online. As educators, we wonder if we can take advantage of this opportunity to build back better. How could we make that happen? What could we do differently to overcome those obstacles you point out?

KOTTER: It starts with doing everything possible to make sure that the “survive” side of our own human nature isn't overheating and just shutting down any positive opportunity-focused action. There are a number of ways to do that, including being transparent with people so the trust level doesn't go through the basement — and with all your constituencies, not just your employees.

Next is recognizing that the bureaucracy, per se, was not designed for this kind of a crisis, pulling together groups that want to be involved, that have a positive attitude and can relate to opportunity. Give them some rope to (a) think through new, bolder options and (b) when possible, to follow through and make things happen.

It doesn't have to be everybody — but a diverse group. With competent leadership, diversity does produce innovation, so if you can keep human nature from killing you off and start building as fast as possible my kind of dual system and pointing it toward the immediate task at hand, you've got some shot of making progress.

This is as tough an environment as I've seen in my lifetime, but crises do offer the opportunity for people to step forward, and not just the usual candidates, to help supply some leadership. In too many places, traditional bureaucratic organizations shut that down.

We've got story after story of the people at the bottom of the hierarchy who, given a chance to join some initiative, end up being as central as anybody to coming up with a new idea that actually makes a little change in a factory or in an office.



SOURCE: *Accelerate: Building Strategic Agility for a Faster-Moving World* by John P. Kotter

NYLAND: So the idea of small wins that you talk about in all of your books starts to build that momentum.

KOTTER: Oh yes. What we've learned in the last three years is those short-term wins are even more important than I first wrote about. We've found that, basically, pulling people together, giving them a framework, the opportunity, the focus, makes them positive. But then, put the 90-day clock on their activities. Ninety days. That's it.

What a group of people under the right conditions, even inside a pretty bureaucratic organization, can do in 90 days can blow your mind: inventing things, cutting costs, redesigning or coming up with ideas that are implementable.

NYLAND: I have a small version of that to share with you. During the pandemic, more than a dozen students worked with a neighborhood Black-led community-based organization and the local housing authority to help parents use the technology needed for online learning by students at home. The students interviewed families, co-designed a class and tried it out with nearly two dozen parents. Those families are now training other families. Now there's demand from other parents to make this viral. Amazing what a group of kids did in a short time to show the way.

KOTTER: That's exactly it.

NYLAND: I hear you suggesting that this crisis may be an opportunity, as you describe in *Our Iceberg Is Melting*, to overcome the power of the status quo. This may be an opportunity to build in a dual operating system, pull a guiding coalition together, frame the opportunity and turn diverse groups loose to create small wins as a way forward. This may not be the time to hunker down — it may be an opportunity to move forward.

KOTTER: Right. We're already seeing the spread between those who manage in a new way and

those who hunker down in bureaucracy. The spread of results is only going to grow. The distance between the performance of the first-place guy and the last-place guy, two years from now, is going to be considerably greater than it is right now. However, that isn't necessarily great for society.

As a citizen, one of the things that worries me about school systems is that the ones that really struggle through this are going to be even further behind the ones that do find a way to turn this into an opportunity, and the students in those two groups aren't a random selection of youngsters. That is going to have an impact on inequality. It's going to have an impact on people who are already vulnerable. It's going to have an impact on race relations. None of which is good.

The notion that this is all going to settle down and go back to normal is a fantasy. It's not. But the world is full of examples where change has produced wonderful outcomes for humanity. We've got to make that an objective. That means more leadership from more people, including students. Who knows what the high end is? We're not giving up on school systems, no, no. Too important.

NYLAND: That's why I am still working — figuring out how to build on those opportunities. Students of color are now half of our student population and soon to be half of our work force. Our public schools need a lot more of those bottom-up solutions that go viral in changing the hierarchy.

So what about leadership? What have you learned about creating a new generation of leaders to seize this as an opportunity and not just survive the crisis?

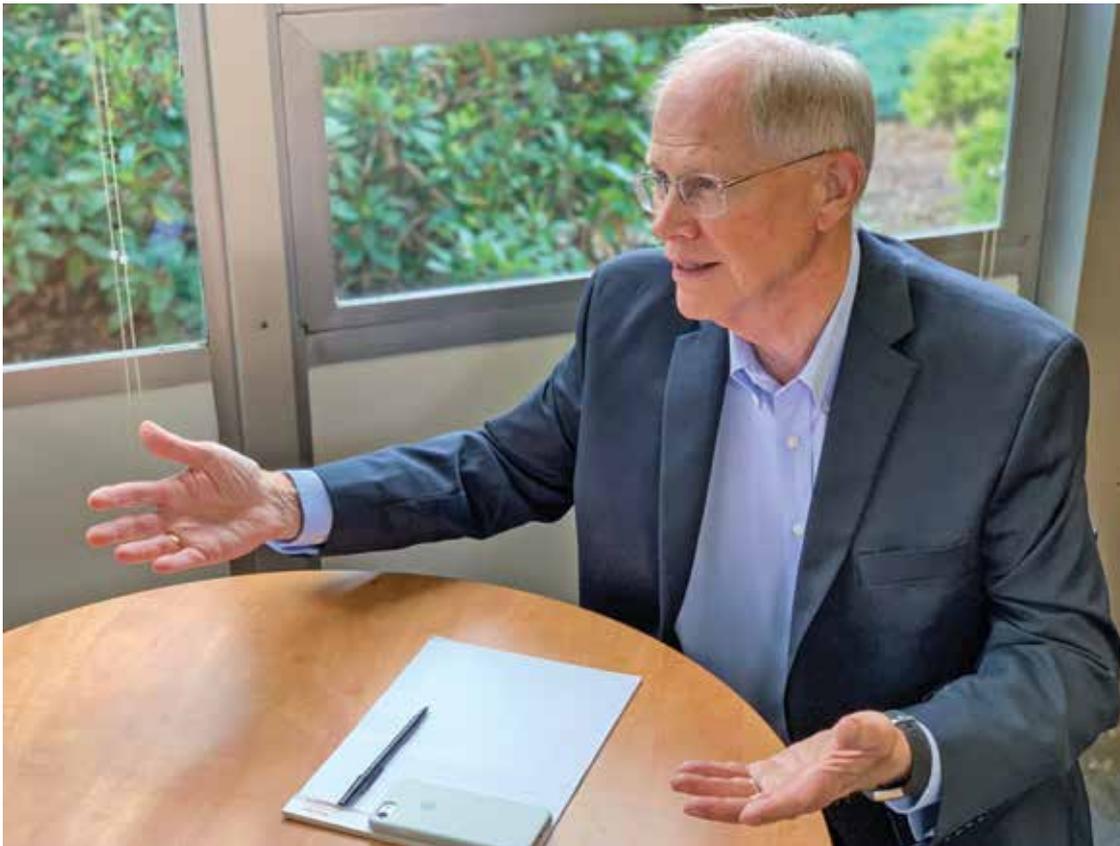
KOTTER: Well, at graduation time, every school or university seems to have at least one person make a speech to graduating students, saying, "You are the leaders of tomorrow." But it's a rare school that actually tries to show kids what leadership is and why it is relevant to them.

Anything that can be done must be done to help young people understand something about leadership. It's not just standing up and giving orders. It's not just something that is associated with big, important jobs that they don't see themselves going into. It is, instead, a set of actions that mobilize people to produce innovative, better

John Kotter says the COVID-19 pandemic has left many workers hunkered down in survival mode.



PHOTO BY CAROLINE C. KOTTER



Larry Nyland buys into John Kotter's notion that times of crisis provide chances to overcome the power of the status quo.

results, which always involve some change. We need to help students see that they actually can find more meaning in life by engaging, in trying and sticking their necks out in some appropriately informed way, playing some leadership role in their organization, community, schools.

NYLAND: Your model of including more people at lower levels of the organization in these entrepreneurial workgroups would create a petri dish for students to spread their wings and find out about leadership first-hand.

KOTTER: Yes. As a matter of fact, our second client just after we started the consulting firm included a very cerebral “strategy” guy. After we worked with him for two years he said, “I’ve done an analysis of who’s been participating in these new efforts we’ve got going, efforts that are doing so much for us.”

He’s got all these pages in front of him. He’s got the data and has done the analysis. He told me, “Most of the people who have come forth and made a difference were not on our list of high

potentials in the human resource department. The biggest single impact of all of this activity is not simply that we’re growing faster as a company, that our stock is going up and the like. It’s that we are systematically growing a whole bunch more leaders that we didn’t even know existed.”

NYLAND: Do you have any other insights from your new book that you’re willing to share?

KOTTER: Oh, gosh. If we get into that, we’ll be here for hours.

NYLAND: Well, thank you so much for your time.

KOTTER: This was a pleasure. It’s good to talk to somebody who is dedicated to making a difference.

NYLAND: Yes, I wish I was just starting out. With each new iteration, I am anxious to get back to work implementing great new research. Thank you so much and I’m eager to see your new book in print. ■

Next Issue:

The fourth installment of the Thought Leadership Series features author **Liz Wiseman** in conversation with **Suzette Lovely**, a retired superintendent in southern California.