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Hearts and Minds
by Edward H. Baker

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Harvard Business School Professor John Kotter on why urgency in the face of change matters — right now.

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Most executives would agree that change is no longer a luxury, but rather a necessity — or perhaps an inevitability that must be managed, not feared. How leaders can help their companies cope with the turmoil of transformation has long been the concern of Harvard Business School Professor John Kotter, whose numerous books on the subject include *Leading Change* (Harvard Business School Press, 1996) and *Our Iceberg is Melting: Changing and Succeeding Under Any Conditions* (with Holger Rathgeber; St. Martin's Press, 2006).

Kotter's new book, *A Sense of Urgency* (Harvard Business School Press, 2008), attempts to deconstruct change by focusing on what he believes to be the first step: driving an organizational culture built on the belief that change is not only desirable but must be pursued relentlessly. This alone can eliminate the risks of complacency, he argues. In his book, Kotter explores what it takes to maintain an urgent atmosphere in a corporation. First, allowing outside influences in; second, encouraging change consistently, on a daily basis, not just when it appears necessary; third, looking for the opportunities that arise in a crisis, no matter how dire; and fourth, adeptly managing the "no-nos" — employees who insist that change efforts just won't work.

None of this is easy, Kotter says, but it can be extremely worthwhile. In an interview with the editors of *strategy+business* he offered his insights on why urgency is so essential to create if a company hopes to achieve sustainable transformation.

S+B: You have written a number of successful books on how to lead change. What warranted another one?
KOTTER: I argued in *Leading Change* that real change involves a multi-step process: (1) get the urgency up, (2) pull the right team together to focus on the correct vision and strategy, (3) communicate it to the right people for buy-in, (4) remove the barriers so you empower the people who bought in to act, (5) make sure that you've done it in a way that then creates some short-term successes, (6) and finally, don't let urgency subside. When urgency starts to abate, the whole effort can easily collapse.

I've thought a lot about which of the steps people struggle with most. The answer, I believe, is the first step: How to generate a sense of real urgency. A lot of people I talk to, unfortunately, don't understand how to do that very well. They face some very predictable problems, and yet they have a finite set of solutions for strategically and tactically raising the level of urgency to solve these problems.

About a year ago, a friend asked whether I thought the world was moving from episodic to continuous

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change. I said, "Sure." And he asked, "Well, what are the implications for creating a sense of urgency?" And I started to think about that. When change becomes continuous, a sense of urgency becomes a generic asset, an ongoing requirement, not just the beginning of a change effort that you've got to get right. And that notion is what led to this book.

S+B: Why is creating a sense of urgency so difficult for so many companies?
KOTTER: First of all, a lot of companies simply have never felt a sense of urgency. They didn't grow up on it, and if it's not in their history, their culture, or their DNA, they struggle. And why is that? More mature companies got used to a slower-moving world, with more oligopolistic industries, less competition, a lack of global forces blowing up those oligopolies, slower technological advances, and longer product life cycles. I remember a DuPont executive telling me, "After World War II we had a product line that was technologically relevant for 20 years. Nowadays, none of mine last five years."

Second is the whole issue of how a company's very success leads to complacency. Success inevitably means growth, and growth means you've got more internal aspects of the business that must be coordinated and managed. So eyeballs turn inside, and they stop noticing the stuff outside that might make people say, "Whoa, time out. We've got to deal with this or that competitive threat."

Initially, somebody might create a chart showing that the sales force, for example, has got to be focused on these customers and this market and do so with a sense of urgency. But with growth and with success, the sales force may turn away from these absolute imperatives of the business and worry more about such things as the compensation system. You wouldn't believe how little time salespeople at some companies — at meetings and at conferences — actually spend talking about customers.

And third, a true sense of urgency is really a personal thing. I recently got called in to a large company to do some advisory work, where it was simply impossible to say that things were going well. Every performance metric — revenues, earnings, and so on — was heading down. But the level of complacency was incredibly high. Everyone agreed that the company had big problems, but those problems were always someone else's responsibility. Too many people were thinking, "Yeah, we have problems, but I'm doing my job. The problem is she isn't doing her job." Given that state of mind, where's the urgency to try new and better things in hopes of taking advantage of the opportunities and hazards the company is facing right now?

For all these reasons, it's the newer, smaller companies competing in faster-moving environments that are better at maintaining a sense of permanent urgency. You tend to see this in some of the smaller high-tech firms, whose employees are in there every day with the goal of making something happen. So it is possible. The real challenge is making this happen in the bigger, older, low-tech companies.

S+B: What can be done to heighten a sense of urgency at companies?
KOTTER: So much of urgency is an emotional determination to make something happen, to win, and to do it now. When Louis Gerstner first became CEO of IBM in the early 1990s, the company was hugely complacent. And he told everyone, "We're going to win. We might

not win the series, but we are going to win the next game. We aren't going to take days off — that's not how you get there. That's not how you make big things happen. I'm not asking you to work 200 hours a week and die. What you've got to do is take all the junk that you're doing right now — and trust me, you're doing lots of junk — and get rid of it, purge it, delegate it, whatever." Once you do that, all of a sudden there's more time to pay attention to opportunities and hazards and to do that consistently, without fail and without letup.

S+B: This seems to get back to the head–heart strategy for change you recommended in your book *The Heart of Change: Real-Life Stories of How People Change Their Organizations* **(with Dan S. Cohen; Harvard Business School Press, 2002) — that is, managers must motivate people by reaching their hearts as well as their heads.**
KOTTER: Exactly. The fundamental strategy for managing all change, not just creating a sense of urgency, is always a head–heart strategy, not just a head strategy.

A few years ago, I attended some top management meetings at a large company held in hopes of addressing directly some serious competitive challenges. One guy gets up and presents his material the same way almost everybody does it. He starts showing his 150 PowerPoint slides, and he's a very smart guy, and a lot of what he's saying is: "There are problems. We've got to jump on it."

Then another guy gets up, and he uses one-tenth as many slides, choosing only the slides that were more dramatic in their implications. He spends a lot of time telling stories about the company, about what it was like when he first joined, about what's changed. And I remember being blown away by his presentation, and then noticing other people talking about it. The first guy just disappears, and the second guy is the one who has the powerful impact on the meeting, in that very emotional dimension we're talking about.

S+B: How difficult is it to maintain that level of emotional commitment?
KOTTER: It's very difficult, and it's a real balancing act. The other side of the complacency coin is what I call "false urgency," and it's just as counterproductive as complacency. Often, when I ask people about their sense of urgency, they'll tell me, "Are you kidding? People are running around like crazy, working as hard as they can." But what they're really saying is that they're scared to death or mad as can be, so they're running from meeting to meeting, doing all kinds of useless

stuff. It's all activity, not productivity, and they look at it and think it's urgency. They see all of the frenetic activity, and they say to themselves, "A lack of urgency isn't the problem. Look, everybody's running." In many ways false urgency can be more insidious and more dangerous even than complacency.

I use the term *urgent* patience to describe what that balance point is. People have to understand that to make anything big happen, it's going to take a while. It might take one year, two years, three years, five years. But there's no reason you can't understand the patience true change requires and at the same time think, "I'm going to get up today, and I'm going to accomplish something that contributes to that change effort. I don't have to spend all day on it. But even if I succeed in redirecting one meeting for 10 minutes in a way that starts pushing on this issue, then OK, I've accomplished something." ✚

Resources

John Jones, DeAnne Aguirre, and Matthew Calderone, "The 10 Principles of Change Management," *s+b*, Summer 2004: An excellent guide to creating change in large companies. www.strategy-business.com/press/article/04201

Richard Rawlinson, Christopher Hannegan , Ashley Harshak, and David Suarez, "Change Management Graduates to the Boardroom: From Afterthought to Prerequisite," Booz & Company white paper, June 2008: A new study shows the importance of managing people in executing change. www.booz.com/global/home/what_we_think/reports_and_white_papers/ic-display/41901974

Change Management Learning Center Web site: A comprehensive list of articles on the art and science of managing change. www.change-management.com/articles.htm

Our Iceberg Is Melting Web site: Information and links pertaining to Kotter's books and ideas about managing and motivating change. http://www.ouricebergismelting.com/

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