

LEADING CHANGE



JOHNP. KOTTER

HARVARD BUSINESS REVIEW PRESS



LEADING CHANGE

With a New Preface by the Author

JOHN P. KOTTER



GIFT OF THE ASIA FOUNDATION NOT FOR RE-SALE

QUÀ TẬNG CỦA QUÝ CHÂU Á KHỔNG ĐƯỢC BÁN LẠI

HARVARD BUSINESS REVIEW PRESS

Boston, Massachusetts



With a New Preface by the Author

Copyright © 2012 by John P. Kotter All rights reserved Printed in the United States of America 10 9

Library of Congress Cataloging-in-Publication Data

Kotter, John P., 1947-

Leading change / John P. Kotter.

p. cm.

Includes new preface by the author. NOT YOR RESALE

First published in 1996.

ISBN 978-1-4221-8643-5 (alk. paper)

1. Organizational change. 2. Leadership. 3. Industrial organization.

4. Strategic planning. I. Title.

HD58.8.K65 2012

658.4'06-dc23

2012031088

The paper used in this publication meets the requirements of the American National Standard for Permanence of Paper for Printed Library Materials Z39.49-1984.

Contents

New Preface, November 2012 vii Preface xi

Part I	The Change Problem and Its Solution	
w. 1	Transforming Organizations: Why Firms Fail	3
2	Successful Change and the Force That Drives It	19
Part II	The Eight-Stage Process	
3	Establishing a Sense of Urgency	37
4	Creating the Guiding Coalition	53
5	Developing a Vision and Strategy	69
6	Communicating the Change Vision	87
7	Empowering Employees for Broad-Based Action	105
8	Generating Short-Term Wins	121
9	Consolidating Gains and Producing More Change	137
10	Anchoring New Approaches in the Culture	153
Part III	Implications for the Twenty-First Century	
11	The Organization of the Future	169
12	Leadership and Lifelong Learning	183

New Preface, November 2012

The material in this book is not only still relevant now, sixteen years after it was published, but I believe it is *more* relevant, and for one simple reason: the speed of change continues to increase.

We know much more today than we did sixteen years ago. I have already published four additional books that drill deeper into these ideas in various ways. I am working on the fifth now, which takes another leap (not an incremental step) into what success will demand in the twenty-first century. But when people ask me where to start their journey to learn about leadership in a changing world, I always have them start here.

The most fundamental mistakes smart people make when they are trying to make big changes, especially implementing high stakes strategies or initiatives, are mostly still the same today (chapter 1). That does not mean executives have learned nothing in the past few decades. They have. But the challenges have been growing as fast, or faster, than their skills.

The simple insight that management is not leadership (chapter 2) is better understood today, but not nearly as well as is needed. Management makes a system work. It helps you do what you know how to do. Leadership builds systems or transforms old ones. It takes you into territory that is new and less well known, or even completely unknown to you. This point has huge implications in an ever-faster-moving world.

The problems created by complacency, even a little complacency, and the power of a sense of urgency (chapter 3), are bigger today than they were a decade ago. I truly believe it is impossible to overstate the severity of the challenges caused by an inadequate or unaligned sense of urgency. And very experienced, very smart people fail here—with consequences that may not be clear for a year or even more—when needed action is delayed or slows down, and train wrecks (or their equivalent) start to become visible.

We have learned an enormous amount in the past decade about the kinds of structures and capabilities that create a powerful enough basis to launch and sustain a big change. But among the general population of leaders and managers, the basics are still very poorly understood (chapter 4). Task forces, "work-streams," and project management organizations are still the most common vehicles used to drive significant change efforts. These structures can help, but they have tendencies that can lead toward wrong processes, and they simply don't have sufficient power for an extremely difficult set of tasks.

And on it goes from chapter 5 on to the end. The problems described are still with us. Their severity, and the negative consequences they cause, are the same today or worse. Although the increasing speed of change has some profound implications that go beyond this book, the pages that follow are filled with insights and action ideas that can be used everywhere today, and with much success.

If you had told me when I wrote this book that *Time* magazine would list it as one of the twenty-five most influential business/management books ever written, I most certainly would not have believed you. I saw it simply as the next installment in a series of research projects I was conducting at Harvard. Even today, all the recognition the book has received is a bit hard for me to take in. But objectively, I do see how it describes the path of a very powerful set of trends that go back a half century and will probably con-

tinue through my lifetime. These trends demand more agility and change-friendly organizations; more leadership from more people, and not just top management; more strategic sophistication; and, most basically, a much greater capacity to execute bold strategic initiatives rapidly while minimizing the size and number of bumps in the road that slow you down.

Speed of change is the driving force. Leading change competently is the only answer.

John Kotter Cambridge, Massachusetts