INTEGRATED CHANGE MANAGEMENT: INCREASING SUCCESS RATES THROUGH AN INTERDISCIPLINARY APPROACH

By

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Abstract

The commonly reported failure rate for change management initiatives is 70 per cent. Anyone who manages change or is impacted by change in the workplace should be deeply concerned about this statistic. This paper explores three disciplinary approaches to change management in order to gain insight into how to increase the success rate of change management initiatives. The business perspective, represented by the work of John Kotter; the cultural perspective, represented by Edward Schein and the people perspective, represented by the work of William Bridges have been selected as representative of the vast number of change management approaches available. The paper concludes that using an integrated approach to change management, which draws on a number of disciplinary perspectives, may increase the success rate of change management.
"Of the forces which are imperceptible forces, none is greater than that of change ... all things are ever in the state of change ... therefore the I of the past is no longer the I of today." - Chang-tzu, 3rd century commentary

**Introduction**

Since the earliest days of civilization and society, adapting to changing conditions has been a constant source of both opportunity and challenge. How one responds to change can determine how well one thrives and survives. Whether you live in 3rd Century China or contemporary North America, change is assured. What has changed over time is the pace and extent of change, particularly within organizations. As societies and economies struggle to adapt to such issues as globalization, the pace of technological advances, and the impacts of the credit and financial crisis, effective organizational change management has never been more important. (See Graetz 2000:550, quoted in By, 2007, p. 369). However, as this paper explores, for many individuals and organizations, the experience of change is less than positive and not at all effective.

Those seeking to understand how to manage and implement change effectively, as well as those who are experiencing change, have supported a significant change management industry that produces vast amounts of information and resources. Despite the wealth of information, and the large number of consultants and scholars searching for effective ways to implement change, the success rate of change initiatives is generally thought to be far lower than the failure rate. The statistic that is frequently reported in both the popular and academic literature is that “approximately 70 per cent of change initiatives fail” (Hughes, 2011, p. 452). The actual percentage of failed change efforts remains open for debate¹. Decker et al provide a glimpse into the impact of unsuccessful change with the following statistics:

Projects are abandoned about 30% of the time; perceived degree of financial objectives not attained is estimated at approximately 33%; joint ventures are said to fail 61% of the
time; failed implementation of advanced manufacturing technology approaches, 86% of the time; reduction of business unit costs and improvement of earnings fail to be realized between 55% and 70% of the time; and perceived total quality management implementations fail at the rate of 41% to 93% (Candido & Santos, 2008). Failure rates in the Project Management and Information Technology literature are similar, with rates reported to range between 50% and 90% (Stephens, 2008; Wong, Chau, Scarbrough & Davison, 2005). Elevated failure rates are also prevalent in the reengineering literature (Grover, Jeong & Teng, 1998). (Decker et al, 2012, p. 1)

It is evident that a significant number of change initiatives are unsuccessful and that effective change management continues to be a tremendous challenge. The costs associated with failed change efforts to individuals, to organizations and to society is enormous both in terms of financial resources and in terms of the negative impact on individuals involved in failed change efforts.

This paper will initially discuss some of the challenges associated with studying change management, particularly when trying to assess the success of such initiatives. Understanding these challenges will provide the context for reviewing three distinct approaches to change management that have been selected due to their prominence in the field and because they represent how differently individuals with various disciplinary perspectives approach this issue.

First, the business perspective, represented by the work of John Kotter of the Harvard Business School will be reviewed. Kotter is one of the most prolific contributors to the change management debate and is widely respected in his field. The second perspective discussed builds on one element of Kotter’s model - the role of organizational culture in change management efforts. Finally, a psychological perspective, based on the work of William Bridges, that emphasizes the impact of change on people and the necessity to consider the human element in change initiatives is presented.

These examples are representative of the vast number of “solutions” available to those who seek to improve the change management process and each draws from a distinct,
disciplinary perspective. The examples will contribute to developing a foundation of knowledge regarding change management and illustrate the limitations of a purely disciplinary approach. Finally, the potential benefits of developing an integrated approach to change management will be discussed. This discussion will support the author’s view that the success rate of change management initiatives may increase if an integrated approach – that incorporates the various elements of the disciplinary approaches – is used.

**Challenges and Complexity of Change**

The study of change management is inherently challenging and complex due to the multitude of approaches and perspectives available and the absence of a clear, commonly used definition of what constitutes change management. As Kotter notes:

> These efforts have gone under many banners: total quality management, reengineering, right sizing, restructuring, cultural change, and turnaround. But, in almost every case, the goal has been the same: to make fundamental changes in how business is conducted in order to help cope with a new, more challenging market environment. (Kotter, 1995, p. 59)

The absence of a common definition of change management has also contributed to the variety of models, theories, tools and approaches scholars and practitioners have developed in an attempt to increase the likelihood of success. According to a recent study on change management published by McKinsey and Company,

> In the last two decades, literally thousands of books and journal articles have been published on the topic. Today, there are more than 1,800 books available on Amazon.com under the category of “Organizational Change.” The field has developed to the extent that courses dedicated specifically to managing change are now part of the curriculum of many major MBA programs. (Keller and Aitken, p. 1)

Adding to the confusion resulting from attempting to analyze a phenomenon that can be called so many different things, measuring the success of change is challenging due to the difficulty of identifying the parameters of change. In some cases, change is defined within a
project framework with clear timeframes and outcomes. Increasingly, change is seen more as a continuum that ebbs and flows but is never complete. These challenges notwithstanding, the evidence suggests that change efforts are predominantly unsuccessful and the quest to improve the success rate continues.

**A Business Perspective**

John P. Kotter is the Konosuke Matsushita Professor of Leadership, Emeritus at Harvard Business School and a leader in the field of change management. According to Kotter’s profile published on his company’s website:

Kotter has authored 17 books, twelve of them bestsellers. His works have been printed in over 120 languages and total sales exceed two million copies...Kotter’s articles in The Harvard Business Review over the past twenty years have sold more reprints than any of the hundreds of distinguished authors who have written for that publication during that time period. Kotter has been on the Harvard Business School faculty since 1972.

In 1995, Kotter published an article in the Harvard Business Review titled: *Leading Change: Why Transformation Efforts Fail* (Kotter, 1995). Kotter does have his critics, but overall his work has had a profound impact on the field of change management and his work continues to be tremendously influential.

Kotter developed his change management model based on years of consulting experience working with hundreds of companies undergoing change. Kotter concluded that there are 8 steps common to managing successful change initiatives that, if followed in the prescribed order, would yield the desired results. The model is presented here in an abbreviated form:

1. Establishing a sense of urgency
   - Examining market and competitive results
   - Identifying and discussing crises, potential crises, or major opportunities
2. Forming a Powerful Guiding Coalition
   - Assembling a group with enough power to lead the change effort
   - Encouraging the group to work together as a team
3. Creating a Vision
   - Creating a vision to help direct the change effort
   - Developing strategies for achieving that vision
4. Communicating the Vision
   - Using every vehicle possible to communicate the new vision and strategies
   - Teaching new behaviours by the example of the guiding coalition
5. Empowering Others to Act on the Vision
   - Getting rid of obstacles to change
   - Changing systems or structures that seriously undermine the vision
   - Encouraging risk taking and nontraditional ideas, activities and actions
6. Planning for and Creating Short-Term Wins
   - Planning for visible performance improvements
   - Creating those improvements
   - Recognizing and rewarding employees involved in the improvement
7. Consolidating Improvements and Producing Still More Change
   - Using increased credibility to change systems, structures and policies that don’t fit the vision
   - Hiring, promoting, and developing employees who can implement the vision
   - Reinvigorating the process with new projects, themes, and change agents
8. Anchoring New Approaches in the Culture
   - Articulating the connections between the new behaviours and corporate success
   - Developing the means to ensure leadership development and succession

(Kotter, 1995, p. 61)

The success of Kotter’s Leading Change article was followed by a book of the same title, published in 1996. According to one reviewer, Leading Change:

… became an instantaneous success at the time it was advocated and it remains a key reference in the field of change management. In 1997, Leading Change (Kotter, 1996) became a business best seller. It subsequently became the best-selling book ever of its kind. Hundreds of researchers refer to one or other of Kotter’s publications on change management. The book has been cited over 4,000 times in Google Scholar. The model is also presented to this day in academic textbooks such as Langton et al (2010).

(Appelbaum, 2012, P. 765)

Kotter’s guru-like status and the overwhelming popularity of his work suggest that those who subscribe to his model achieve the desired results of successfully implementing change. If this were true, and the model worked as effectively a Mr. Kotter suggests, then it would be reasonable to expect an increase in the number of successful change initiatives. In reality, this has not been the case. Despite the widespread use of Kotter’s model, the challenges of
implementing change successfully are complex and not readily solved simply by applying an 8-step model – no matter how good the model. The next section of this paper will examine in more detail the concept behind the final step of Kotter’s model, “Anchoring New Approaches in the Culture”.

A Cultural Perspective

Kotter summarized his view on the importance of corporate culture in successful change management as follows:

In the final analysis, change sticks when it becomes "the way we do things around here," when it seeps into the bloodstream of the corporate body. Until new behaviors are rooted in social norms and shared values, they are subject to degradation as soon as the pressure for change is removed. (Kotter, 1995, p 67.)

Kotter’s statement seems to be simple enough and yet the concept of culture within organizations is another extremely complex topic that significantly contributes to the challenges this paper explores. A google search of the term “organizational culture” provides close to two million results. Understanding organizational culture, and the role it plays in successful organizations, has been of interest to individuals from a broad range of disciplinary backgrounds since the early part of the last century\(^4\).

In the early days of researching organizational culture, it was primarily scholars from the various social science disciplines who were engaged in the pursuit of understanding culture within the organizational context. This all changed in the early 1980s largely due to the economic success of Japan at that time (Mills, 2011, p. 426). American government, industry and business leaders were seeking to understand how a nation that was so completely crippled by World War Two could so quickly rise to a position of economic dominance. According to Mills,

The October 27, 1980 issue of Business Week ran a cover story on the subject of corporate culture, and a series of best-selling books and articles followed. The idea took
hold in the business world, and a number of corporations introduced “culture change” programs to improve their operations. (ibid, p. 426)

The idea was simple, if Japanese culture contributed to the success of the Japanese economy, then understanding the role of culture and transferring this knowledge to North American business would surely contribute to improved performance. The reality was much more difficult particularly given the lack of a commonly accepted understanding of what was meant by the term “corporate culture” and the tremendous cultural variance even within organizations.

Writing in 1984, Edgar Schein, one of the leading scholars in the field of organizational culture, defined organizational culture as:

the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and therefore, be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (Schein, 1984, p. 3.)

Schein elaborated on this definition, highlighting the many challenges associated with trying to understand culture. He believed:

the definition highlights that culture: (1) is always in the process of formation and change; (2) tends to cover all aspects of human functioning; (3) is learned around the major issues of external adaptation and internal change; and (4) is ultimately embodied as an interrelated, patterned set of basic assumptions that deal with ultimate issues, such as the nature of humanity, human relationships, time, space, and the nature of reality and truth itself. (ibid, 1984, p. 14)

Schein recognized the need to test his model of culture to determine its validity and usefulness and concluded that, if his model, proved to be useful:

one of the major implications will be that our theories of organizational change will have to give much more attention to the opportunities and constraints that organizational culture provides. Clearly, if culture is as powerful as I argue in this article, it will be easy to make changes that are congruent with present assumptions, and very difficult to make changes that are not. In sum the understanding of organizational culture would then become integral to the process of management itself. (Schein, 1984,p. 14)
Kotter and Schein agree that culture is a critical element to successfully implementing change management initiatives. Where they disagree is the timing of the organizational culture efforts. To reiterate, Kotter argues that attempts to change the culture must come at the end of the 8-step process while Schein argues that culture is “always in the process of formation and change” (ibid, p. 14).

Another common element of both Kotter’s and Schien’s view of organizational culture is summarized by Kotter:

Culture is a complex concept. For our purposes here, it means the norms of behavior and the shared values in a group of people. It’s a set of common feelings about what is of value and how we should act. (Kotter, 2002, p. 165)

The relevance for this discussion is that culture is about the “behavior and values of people” (ibid, p. 165). The importance of the role people play in the success of change management is often underestimated, particularly by those who subscribe to a business perspective that focuses on organizational needs and objectives often at the expense of the people involved. If greater consideration of the impact of change on people was given at the outset of change management initiatives we could reasonably expect an increase in the success rate of such initiatives. The final perspective this paper will review is the people perspective, based on the work of William Bridges who argues:

In the end, the very goals of the changes on which the organization’s future depends are often threatened by the effects of the changes on the people who must carry them out. We encounter resistance to the changes, which slows down their implementation, increases their cost, and may in the end force them to be abandoned. (Bridges, 1993, p.8)

**A People Perspective**

William Bridges, the best-selling author of “Transitions: Making Sense of Life’s Changes” has a unique perspective on change management. In Bridges’ view, “change occurs
when something new starts or something old stops, and takes place at a particular point in time.” (ibid, p. 17). Subscribing to this view creates an opportunity to approach change in an extremely pragmatic manner. Examples of this approach to change include the day a new system is made live and the old system is shut down, the first day for a new CEO and the first day working with a new policy. Bridges argues that the change is relatively easy and in many cases takes place with clear boundaries and expectations. The old system/person/policy has been replaced with a new system/person/policy and the organization must adapt.

In Bridges’ view, the challenge is not with change itself. Instead, the period between the time that the old way of doing things is gone and the new way is fully embraced is the time that many of the challenges for individuals and organizations arise. Bridges calls this the transition time and distinguishes this period from the actual change. He writes:

transition can not be localized in time that way, since it is the gradual psychological process through which individuals and groups reorient themselves so that they can function and find meaning in a changed situation…change often starts with a new beginning, but transition must start with an ending – with people letting go of old attitudes and behaviours. (ibid, p. 17)

Bridges identifies three stages in the transition process: the ending; the neutral zone and the new beginning. A brief description of each phase follows.5

The ending phase of transition can be an extremely painful time for those impacted by change. The sudden departure of a valued colleague, the confusion that arises when adapting to a new system, and the uncertainty of what lies ahead all contribute to a sense of loss and confusion. Bridges notes that in many cases, individuals experiencing loss in the workplace may experience a grieving process that has a similar psychological impact as other forms of grieving. This aspect of the transition process is often poorly understood both by those experiencing the loss and by their managers. There is a great deal of discomfort for all involved but little sense of
how to move forward. Many individuals involved in this process simply want the feelings to go away and to return to some level of normalcy. According to Bridges:

   Everything that is known about loss makes it clear that to make some part of the grieving go away simply aborts natural healing and leads to long-term trouble. Transition management, therefore, must begin by finding ways to legitimate grieving so that losses are worked through to acceptance. The first thing that such legitimation usually requires is an educational effort. Leaders need to understand grieving and show through their words and deeds that it is acceptable within the organization. Managers and supervisors must learn to distinguish the symptoms of grieving from those that simply demonstrate a poor attitude or low motivation. And the employees themselves can profit from learning about grieving, just as bereaved people can, because without such information it is easy for them to feel that they are not coping well or are actually showing signs of psychological illness. (ibid, p. 52)

   The next phase of the transition process is the neutral zone. This is the time between when the old order is gone and the new order has yet to be established. It is a time of both great confusion and great opportunity. The actions of leaders of organizational change are critical at this time. Bridges outlines a number of strategies for getting through this period and encourages organizations to have a plan that addresses two aspects:

   First, there must be strategies for supporting people during this interim when the ordinary organizational and personal structuring systems do not work very well. Second, there must be strategies for giving people access to the innovativeness and the vision that are always present in the neutral zone. (ibid, p. 62)

   The final stage of the transition process is the new beginning. At this stage, the old way of being has receded to the extent that the new way is the established norm, the old identity may be replaced by a new identity, and the focus is more future-oriented than past-oriented. Some organizations celebrate the new beginning with an official launch of a new brand, they may create a new logo or completely reinvent themselves. New beginnings offer a sense of hope and excitement and relief that the worst is behind. Success at this stage can be greatly enhanced by ensuring that the organization has “a multidimensional plan that involves communication, leadership, training, incentives and ritual.” (ibid. p. 85)
Bridges’ model emphasizes the impact of change on people and the ability of people to contribute to the success or failure of change. The failure to acknowledge both the impact on people and the role of people in successful change implementation is undoubtedly a significant contributor to the high failure rate of change that is the focus of this paper, and yet the importance of people in successful change management efforts is often a secondary consideration to the business objectives.

**Conclusion – An Integrated Perspective**

This paper has presented a cursory overview of various disciplinary perspectives on change management. However, even at this superficial level it is apparent that there are extreme contrasts to the various approaches. Those with a business perspective are likely to be drawn to Kotter’s prescriptive, 8-step model. In their attempt to systematically follow the steps in the order presented, they may overlook the impact the change is having on the people involved. It should be noted that Kotter acknowledged the significant role people play in successful change initiatives in a later book, “The Heart of Change”, published in 2002. Writing in the preface, Kotter summarized the findings of the extensive research project that led to the publication of “The Heart of Change”,

> Leading Change describes the eight steps people follow to produce new ways of operating. In the ‘Heart of Change,’ we dig into the core problem people face in all of these steps, and how to successfully deal with that problem. Our main finding, put simply, is that the central issue is never strategy, structure, culture, or systems. All those elements, and others, are important. But the core of the matter is always about changing the behavior of people, and behavior change happens in highly successful situations mostly by speaking to people’s feelings.” (Kotter, 2002, p. x)

Understanding the cultural perspective of organizational change management also has tremendous value and, as Schein noted back in 1984, is increasingly becoming a core management skill. However, if individuals follow Kotter’s advice to wait until later in the
process to change the culture, they may miss significant opportunities to gain support and influence the outcome of the change – perhaps contributing to the high failure rate of change initiatives.

Finally, individuals who favour Bridge’s Transition model may have considerable success in supporting the people impacted by the change. However, organizational needs and priorities may not always be in alignment with the needs or desires of the people involved. Difficult choices often need to be made in the face of increasing financial pressures and limited resources and sometimes reducing the workforce is the only option available to save the organization. If this is the case, how people are treated – both those that leave and those that stay behind - can have a tremendous impact on the ability of the organization to move forward.

It is clear that implementing change successfully is tremendously challenging under any circumstances. This paper raises the question of how to improve the success rate of change management initiatives from the existing estimated 30 per cent rate. Those who are expecting a single, clearly defined, consistent approach to change management will be disappointed. The examples provided in this paper are representative of a vast number of approaches that continue to evolve in response to the ever-changing environment in which we all live and work. Despite what the management consultants and change gurus claim, there is no easy answer, no fool-proof model, no one approach that will ensure the success rate of change management increases. Perhaps the first step to improving the success rate of change management initiatives is to accept that there is no one-size-fits all approach to change management and that the best approach is an interdisciplinary approach that integrates the various disciplinary perspectives to balance organizational needs with the needs of the people involved.
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1 See Hughes 2011  
2 See Appelbaum, et al, 2012  
3 For a full discussion see Kotter, 1995  
4 For a detailed historical account of the place of culture in organizational theory see Morrill, 2008  
5 See Bridges, 1991 and Bridges, 1993 for detailed discussions of each phase