Chapter 3

Models of Change

It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.
—Charles Darwin

The voyage of discovery lies not in seeking new horizons but in seeing with new eyes.
—Marcel Proust

In This Chapter:
❖ Theories, strategies, and models
❖ History of change design
❖ Ethical considerations
❖ Overview of the CHANGE Model

Reinvention, learning organizations, audacious goals, revolution, quantum change, total quality management, breakthrough thinking, horizontal organization, stretch goals, Lean Six Sigma—you can probably attach a prominent scholar’s name to each of these well-recognized change initiatives that at one time or another were the darlings of change management professionals. All displayed some success. Some demonstrated more results than others.

Two keys to success are important for all change efforts:

1. You need to have a plan. The plan must translate the concepts into concrete steps so that employees can implement them.
2. You need to carry out the plan—all of it. Carrying out the plan requires getting everyone involved who has a stake in the change.

So you must plan the work and work the plan.
Theories, Strategies, and Models

When people are trained only in techniques, without understanding the theory behind them, they have difficulty applying them to anything beyond a specific situation. The variables that contribute to change management are too complex to remember a few techniques that apply to any change situation. Therefore, it is important to learn more about the theories, models, and strategies that drive your efforts. This section serves to introduce you to (or remind you of) several important theories, strategies, models, and approaches. The funnel shown in figure 3-1 helps to describe the hierarchy of the three.

Think of the top of the funnel as theories. Theories are hypothetical statements of what we believe will happen. They are not practical but are broad in meaning and present the possibilities. The next level in the funnel is strategies. Strategies take the theory down one level and create a framework for design, thus getting us closer to a practical level. Models provide a step-by-step process. Models are useful in explaining in generic terms what must be done. However, most organizations will need to adapt a model to their own approach. The CHANGE Model presented in this book will need to be adapted to your specific needs and situation. The following theories, strategies, models, and approaches may be useful in understanding the underpinnings of change.

Theories

*Systems theory* views an organization as a complex system with boundaries allowing input and output. The organizational system exists within a larger external environment that is constantly exerting pressure on its boundaries, an environment with which the organization must interact. Systems theory

Figure 3-1. From Theories to Approaches
recognizes that a change in any part of the system creates change throughout the system. If one part of the system changes, other parts must change to accommodate this new system.

The organizational system is defined by its boundaries and internal structures. It is typically considered stable. The external environment is assumed to be in a state of continual flux. For example, if a purchasing department orders the same 1,000 sheets of glass from a supplier every month and the supplier increases prices, the change affects the entire system. To maintain profits, manufacturing reduces labor costs by changing production methods. Research may be tasked with developing a product that uses less glass, or purchasing may need to locate another supplier, or finance will pass along the price increase. One change creates changes in many other parts of the system.

Peter Senge, a leader in systems theory, presents a simple example. If one person is taking a shower and someone else in the same house (system) flushes the toilet, the water turns cold in the shower. The person in the shower may try to adjust the temperature. However, by the time he has adjusted the shower, the toilet bowl has filled, the water temperature goes back to normal, and the person in the shower will need to adjust the temperature again—this time making it cooler.

Theory E and Theory O are change management theories. The names of these theories were coined by the Harvard Business School professors Michael Beer and Nitin Nohria to describe two goals that drive change initiatives: near-term economic improvement or improvement in organizational capabilities. Theory E (for economic value) aims for a dramatic and rapid increase in shareholder value. It is driven from the top of the organization and makes use of outside consultants. Theory E relies heavily on cost cutting, downsizing, and asset sales to meet its objectives.

Conversely, Theory O (organizational capabilities) is a long-term approach that aims to create higher performance by fostering a powerful culture and capable workforce. It is characterized by high levels of employee participation and a flatter organizational structure. It attempts to build bridges between the organization and its employees, partially on the assumption that the involved employees will bond with the organization they have helped to change.

Chaos and Complexity Theory has its roots in the field of science. It is applied to organizations in an attempt to find order in the organizational environment. Purists would argue that combining the two terms “chaos” and “complexity” is incorrect because each represents a distinct theory from different disciplines.
In very simple terms, *Chaos Theory* is the study of how simple systems can generate complicated behavior. It recognizes that behavior in systems appears random but in fact reveals orderly patterns at deeper levels. In a business sense, it describes random, inherently unpredictable sequences over time.

*Complexity Theory* is the study of how complicated systems generate simple behavior. The assumption is that systems are interconnected or interwoven parts and that dynamic complexity exists in situations where cause and effects are subtle and effects over time are not obvious. In business, it admonishes us to *not* examine parts of the organizational system separately from the rest of the system.

**Strategies**

A strategy or a model for approaching change is a general design or plan for action. There are four generally accepted types of strategies:

- A facilitative strategy depends on a shared responsibility and the involvement of everyone in the organization.
- An informational strategy is based on delivering education or knowledge.
- An attitudinal strategy recognizes the need to change mindsets and, as a result, change behavior.
- Political strategies depend on giving, withholding, competing, or bargaining for scarce resources to accomplish the planned change's objectives.

Generally, change management efforts are most successful when they use a combination of the various types of strategies available. The CHANGE Model in this book uses an attitudinal basis, and it also relies on facilitative and informational approaches. Table 3-1 offers a comparison of the four types of strategies.

**Models**

Models—such as Kurt Lewin’s Three-Step Model of unfreezing, change, and refreezing; Kotter’s Eight-Step Model; and Nadler’s Cycle of Change—

<table>
<thead>
<tr>
<th>Type of Strategy</th>
<th>Rate of Implementation</th>
<th>Impact</th>
<th>Consequences</th>
<th>Acceptance Tactic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitative</td>
<td>Faster</td>
<td>Surface</td>
<td>Short-term</td>
<td>Helping</td>
</tr>
<tr>
<td>Informational</td>
<td>Slower</td>
<td>In-depth</td>
<td>Long-term</td>
<td>Helping</td>
</tr>
<tr>
<td>Attitudinal</td>
<td>Slower</td>
<td>In-depth</td>
<td>Long-term</td>
<td>Persuading</td>
</tr>
<tr>
<td>Political</td>
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<td>Short-term</td>
<td>Persuading</td>
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</table>
provide process guidance. Models generally demonstrate action and steps that flow from one to another. Models are road maps that offer guidance and cautions along the way.

Models are particularly useful for moving from your current state to your preferred future, offering steps in a generally sequential order—though, in practice, the steps are seldom perfectly linear. There will always be some overlap between steps. Change is rarely as linear a process as presented in any model.

**Techniques, Approaches, and Frameworks**

Techniques, approaches, and frameworks support a change model and may be used with the model as a tool to support one of the steps.

*Appreciative Inquiry*, though at times called a theory, is actually an approach to large-scale organizational change that involves the analysis of positive and successful (as opposed to negative) events. David Cooperrider is generally credited with developing the principles of Appreciative Inquiry. In typical problem solving, an organization identifies the problem, analyzes the causes, identifies possible solutions, and develops a plan. Yet Appreciative Inquiry identifies the best of “what is,” envisions “what might be,” discusses “what should be,” and implements the “what will be,” all from a positive, “appreciating” point of view. This approach also uses a basic framework called the 4-D model—discovery, dream, design, and destiny—to accomplish its objectives.

*Action Research and Learning* is both a model and a process. In its simplest form, it is a process whereby research or fact finding precedes action and follows it. The thought process looks something like this: fact finding—action—fact finding—action, and so on. The Action Research and Learning process takes shape as understanding increases. The process used in change management efforts remains focused on the desired state and how each systemic element needs to change.

*Karl Albrecht’s Change Response Cycle* describes the four phases individuals work through when faced with change. The four phases are threat, problem, solution, and habit. Elisabeth Kubler-Ross was one of the first to recognize that humans go through phases following a loss. In her case, it was the families of dying cancer patients. Her five phases are denial, anger, bargaining, depression, and finally acceptance. You may see other forms of this, such as denial, resistance, adaptation, and involvement. All follow similar patterns that describe the phases people go through as they adjust to change. People perceive change as a loss—if only as the loss of what was.

*Understanding organizational culture* is important because it can be managed. The culture—represented by a shared set of symbols, values, beliefs,
underlying assumptions, rewards, preferences, supporting policies, and dozens of other elements—can be changed by changing the elements that created it in the first place. Changing the culture—or at least adjusting it—changes the behavior of individuals. That is why it is important to introduce new symbols, celebrations, language, and rituals into the system to support the change.

Remember, if the change is too different from the culture, it will create disconnects and be a continuing stumbling block for successful implementation. If the change is too different from the culture, employees will not believe their leaders and will expect the effort to fail. The result will be that they will not want to invest themselves in something they believe will fail. The change intervention designers need to lay the groundwork before introducing the change effort.

Frameworks, static lists or diagrams of things to remember, can serve as a checklist as you design the implementation plan. The frameworks with which you’re most likely familiar include Weisbord’s Six-Box Model and McKinsey’s Seven-S Framework.

Theories, strategies, models, and approaches all play an important part in change management—even if they do not provide the practical how-to that most of us practitioners need. They provide the underpinnings of the practical change efforts we all implement. You won’t use all of them at once, but you should know they exist and are available to help you understand why you might choose to do one thing over another.

**History of Change Design**

Lewin first presented his Three-Step Change Model in 1947: unfreezing, changing, and refreezing (see table 3-2). Over the years, the second category was changed to transformation and movement. As you can see in table 3-2, this model maintained its integrity, through several iterations, with each “authority” tweaking the model and assigning a different name to the three steps over the years. It wasn’t until Kotter published an article in the *Harvard Business Review* in 1995 that focused on his Eight-Step Model that organizational development’s change perspective was altered beyond Lewin’s three steps. It’s been said that the “sign of a good model is one that lasts the test of time . . . and the test of many bright people.” That certainly is the case with Lewin’s model.

So what do some of these models look like? Well it is interesting to note that Kotter seems to have picked up where Lewin left off. Now many models are takeoffs of Kotter’s Eight-Step Model.
The six-step CHANGE Model presented in this book builds on these earlier models. This model follows a logical progression of these six steps to create positive, effective, and enduring C-H-A-N-G-E:

C harge the current state (Step 1).
H armonize and align leadership (Step 2).
A ctivate commitment (Step 3).
N urture and formalize a design (Step 4).
G uide implementation (Step 5).
E valuate and institutionalize the change (Step 6).

Table 3-3 compares the CHANGE Model with Lewin’s model, Kotter’s model, David Ulrich’s model, and Jeff Evans and Chuck Schaefer’s 10 tasks. You can see that the elegant simplicity of Lewin’s model has been the basis for the evolution of most change models—the concept of moving from the current state to a preferred future state.

In table 3-3, each model is aligned horizontally to match as closely as possible the steps of this book’s CHANGE Model. This allows you to compare the content of each step more easily. As noted, Lewin’s model is the most basic and the oldest. Many would argue that his model is no longer appropriate because few organizations can manage to “refreeze.” Organizations of today must be agile and flexible. But keep an open mind. Lewin was a true OD pioneer, and most of the current models are based on his simple yet elegant three-step model.

Little was published or changed until Kotter published his model in 1995. His model is built on work that was previously published by Rosabeth Moss
Kanter and Kotter’s analysis of dozens of change initiatives over the prior 15 years. Though it is highly touted as a superior model, it is academic in nature, providing few realistic suggestions about how to “empower broad-based action” or “how to generate short-term wins.” Even so, Kotter’s book on the model, *Leading Change*, is excellent reading. Others such as Dan Cohen, have introduced useful, implementable ideas based on the eight steps. David Ulrich’s model adds more practicality and reduces the eight steps down to seven. Evans and Schaefer have written a very practical book that includes the 10 tasks they believe are important for effective change management. Although they do not call their work a “model,” it is as worthy as most others that have been published. I’ve added it here because it will be very useful to you.

Each of these models follows a similar path, and all of them require some of the same actions. It is important to recognize that the CHANGE Model follows the same pattern as other well-used models, providing practical exercises and how-tos to support the six steps.

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### Table 3-3. Comparison of Change Models

<table>
<thead>
<tr>
<th>CHANGE Model</th>
<th>Lewin’s Model</th>
<th>Kotter’s Eight-Step Model</th>
<th>Ulrich’s Seven-Step Model</th>
<th>Evans and Schaefer’s 10 Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenge the current state</td>
<td>Unfreeze</td>
<td>1. Establish a sense of urgency</td>
<td>1. Lead change</td>
<td>1. Appreciate the situation</td>
</tr>
<tr>
<td>Harmonize and align leadership</td>
<td>Movement (transformation)</td>
<td>2. Create the guiding coalition</td>
<td>2. Create a shared need</td>
<td>2. Develop strategic alignment</td>
</tr>
<tr>
<td>Activate commitment</td>
<td></td>
<td>3. Develop a vision and strategy</td>
<td>3. Shape a vision</td>
<td>3. Evoke change leadership</td>
</tr>
<tr>
<td>Nurture and formalize a design</td>
<td>Refreeze</td>
<td>4. Communicate the change vision</td>
<td>4. Mobilize commitment</td>
<td>4. Expand understanding and commitment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. Consolidate gains and produce more change</td>
<td>7. Make change last</td>
<td>7. Plan implementation</td>
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<td></td>
<td></td>
<td>8. Anchor new approaches in the culture</td>
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<td>8. Establish metrics</td>
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<td></td>
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<td>9.</td>
<td>9. Manage transitions</td>
<td></td>
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<td></td>
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<td>10. Continuous learning and improvement</td>
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Ethical Considerations

One of the trends shaping the workplace learning and performance profession cited in the ASTD 2004 Competency Study is a “higher ethical bar.” Organizational leaders are paying more attention to organizational ethics, including the behaviors required when implementing a change effort. Accepting the responsibility—whether from the perspective of a leader, change agent, or even external consultant—to act in the best interest of the organization and its workforce is so fundamental that we may not even think about it.

Organizational codes of ethics and professional codes of conduct provide frameworks to help you determine what is important to consider. You may have your own code of ethics, but it is important to note that ethical statements are not meant to be an individual statement but rather a collective declaration. If your organization professes a code of ethics, revisit it before beginning an organizational change initiative. Remind all leaders and change agents involved what the organization stands for.

If your organization does not have a code of ethics, you may want to encourage its leaders to discuss the ethical standards they wish to uphold during the change effort. Later, you may use them as a basis for more permanent ethical standards. Here are some ethical considerations as they relate to implementing change. The list is only a start. What is important to you, the organization, and society?

As a change agent, what ethical responsibility do you have to the organization and the workforce?

- Honor promises of confidentiality; ensure confidentiality limits are understood by all.
- Raise issues that the organization cannot raise itself.
- Conduct change efforts and other activities honestly and responsibly.
- Introduce new perspectives for consideration.
- Communicate honestly and openly.
- Listen to opposing views.
- Encourage and enable participation.

What ethical responsibility do you have to the profession and society?

- Use politics in a positive way, “enlightened politics” as advocated by Peter Block.
- Maintain professional competence.
- Contribute to the profession and the development of other professionals.
- Accept responsibility for and be sensitive to consequences that may alter the lives of others.
- Respect the cultural differences of others.
What ethical responsibility do you have to yourself?

- Be authentic.
- Act with integrity.
- Recognize when self-interest or personal values clash with other responsibilities and seek a positive resolution.
- Continue to learn and grow.
- Address personal needs and shortcoming.

The ethics that guide you and the organization may incorporate other responsibilities. If no ethical statement exists, consider opening the discussion with your organization’s leaders.

**Overview of the CHANGE Model**

The six chapters that follow present a CHANGE Model, with each chapter featuring one of the six steps displayed in figure 3-2.

The CHANGE Model consists of six steps. Each step requires completing distinct and specific tasks, yet as in all models there is also some overlap among the steps. Change is rarely as nice, neat, and linear a process as is presented in this model. Of course, change is led by people and is conducted by people; and people must ultimately change for an organization to change. It is this aspect of “people” that makes change not only exciting but also unpredictable.

The CHANGE Model provides a process that can be used to facilitate an organization through a change effort. Change comes in many formats: developmental change, transformational change, and opportunistic change. Change may be large or small. The CHANGE Model is generic and may be used with any type of change intervention including structural, process, cultural, mergers and acquisitions, growth, downsizing, cost cutting, and others. Each step presents tools and techniques that will help you hone your skills as a change agent or change leader.

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**Figure 3-2. CHANGE Model**

1. **Challenge** the current state
2. **Harmonize** and align leadership
3. **Activate** commitment
4. **Nurture and formalize a design**
5. **Guide** implementation
6. **Evaluate and institutionalize the change**
Step 1: Challenge the current state. This step addresses the recognition that something can be different—a preferred future that dares the status quo to innovate. This step is usually initiated by someone at or near the top of the organization who identifies a need for change. It may be externally generated, such as an impending industry regulation or a customer demand. It may be internally generated, such as a high percentage of retirement-eligible personnel on the horizon. Or it may be precipitated by technology upgrades or a merger. This step addresses the question of “why?”

Step 2: Harmonize and align leadership. The first two steps of the CHANGE Model address Lewin’s “unfreezing” concept, ensuring that the organization begins the process of unlearning its current habits. Included in the unlearning process in Step 2 is aligning the organization’s leadership to understand the organizational need and to identify a way to focus on the challenge from a systems perspective. It is also the leaders’ responsibility to begin to model and communicate a consistent message to the rest of the organization about what will happen and the reason it is happening. This step addresses the question of “what?”

Step 3: Activate commitment. As the planning phase moves into the design phase, teams are formed to begin the design, considering what to maintain, what to change, how to get employee buy-in and involvement, and a host of other events to ensure that everything has been considered before implementation begins. The leaders continue to build a strong united front, ensuring commitment to the initiative. The facilitators of change may be required to learn or invent new tools and techniques to develop the implementation plan that helps everyone understand how the change will occur. This step answers the question of “how?”

Step 4: Nurture and formalize a design. Many organizations skip the first three steps and begin their change effort at this point. They decide that a change must take place and then begin to create it. They find, however, that stumbling blocks begin to spring up in their path to prevent the desired change. This step encourages change agents to use tools to formalize the design: conduct a risk assessment, select appropriate metrics, and utilize a number of implementation tools.

Step 5: Guide implementation. This step is the action step. The organization is busy keeping the implementation process moving forward. The organization will begin to see some short-term gains, an important result because it provides proof that what was intended with the effort is beginning to bear fruit. Using short-term gains as a springboard, the organization will want to identify ways to increase motivation to accelerate implementation.

Step 6: Evaluate and institutionalize the change. Once implementation has been completed, many organizations are off to find other dragons to slay.

Winning Idea:

Subscribe to an online ethics newsletter. Ethics Today Online (www.ethics.org) is a monthly forum for exploring a broad range of organizational ethics and character development issues. The Society for Business Ethics is an international organization engaged in the study of business ethics; see its newsletter at www.societyforbusinessethics.org. Both newsletters are free.
It is essential to encourage people and the organization to accept the desired change and to permanently institutionalize the variations in processes, different products or services, new philosophy, and whatever else was intended to be changed. This step embeds the change in the organizational culture and transforms it into the new reality—the way it is. This step also encourages the organization to prepare for continuous change.

These six steps could be presented in a circle to show the continuous process of change. Imagine the six steps in a spiral, always moving the organization one level higher to an improved level of performance.

How long does this six-step process take? It depends. Is the process merely changing job descriptions or completely changing how the job is done? Does the change deal with how we hire people, or whether we should send the work offshore? In one instance, we helped an organization implement an entire human capital system in just over a year. The effort could have lasted longer, but the crisis of a large number of people retiring in the near future added a natural sense of urgency.

In another case, a company required a change in how it conducted business to move into the European market. Its change leaders estimated two years for implementation, and they spent over nine months in just the first two steps of this model. Many organizations spend no time in planning. This is a big mistake. We know of another example where it took four years to implement a telecommuting plan. Why? Resistance from the middle of the organization stonewalled the plan.

Turn to the next chapter to learn more about Step 1 of the CHANGE Model: Challenge the current state. The CHANGE Model is designed to plan the work and work the plan.