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Leading Change: A Case Study from
The U. S. Army Corps of Engineers

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Abstract:

This article describes how the U.S. Army Corps of Engineers (USACE) has used John Kotter's Leading Change to revise its operations. All eight steps: establishing a sense of urgency, creating the guiding coalition, developing a vision and strategy, communicating the change vision, empowering employees, generating short term wins, consolidating gains, and anchoring new approaches in the culture; are discussed. USACE's implementation is evaluated and suggestions for continuing the process are given.

Introduction

This paper examines how the U.S. Army Corps of Engineers has used John Kotter's Leading Change¹ to position itself as “the world’s premier engineering organization.”² . USACE's implementation of the eight individual steps (establishing a sense of urgency, creating the guiding coalition, developing a vision, communicating the vision, empowering employees, generating short term wins, consolidating change and anchoring the new approaches in the culture) is discussed and recommendations for further implementation are given.

The increasing competitiveness of the international workplace, the demand of customers, and taxpayers for better service at lower prices and the revolution in computers has forced business and government to rethink their practices. In Reengineering the Corporation,³ Michael Hammer and James Champy discuss the three forces that driving today’s leaders: Customers, Competition, and Change. They discuss the requirement that businesses focus on their processes, not tasks. According to Vice President Al Gore “Companies have spent years reengineering their entire work flows to make room for innovation and improvement. Now, government is playing catch-up. Businesses were able to make a “culture change” typically worked on several areas at the same time: rewarding performance, reducing overhead, scrapping unnecessary rules and regulations, intrapreneurship, and training.”⁴

John Kotter states the challenge as: “To date, major change efforts have helped some organizations adapt significantly to shifting conditions, have improved the competitive standing of others, and have positioned a few for a far better future. But in two many situations the improvements have been disappointing and the carnage has been

appalling, with wasted resources and burned-out, scared, or frustrated employees.”⁵ This paper analyses how USACE's implementation these eight steps to better align itself while avoiding these pitfalls.

Fundamental to understanding this analysis is the distinction between management and leadership. There are many possible definitions of both leadership and management. Management focuses on the day-to-day activities of an organization. Planning, budgeting, organizing, staffing, controlling and problem solving are all management functions. Leadership, on the other hand, defines what the future should look like by creating a vision, aligns people with that vision, and inspires them to make it happen despite the obstacles.” In Lead: How Public and Nonprofit Managers Can Bring Out the Best in Themselves and Their Organizations⁶ Richard Lynch describes leadership as “... creating an organizational situation in which committed, self-confident people work in exciting jobs that enhance the follower’s self-esteem.” This sense of vision and commitment are essential in creating the organization of the future.

To create the organization of the future Kotter gives eight steps that must be followed in sequence, otherwise the change will not be effective.

Step 1 Establish a sense of urgency.

Without a sense of urgency change will be difficult at best. Those who benefit from the status quo will prevent real change, or at best allow incremental change. In the private sector this sense of urgency is normally generated by loss of market share, declining profits or a threatened takeover. In the public sector tax payer dissatisfaction, declining workload, reductions in the workforce and the computer/telecommunications revolution has forced government offices to reevaluate how they operate. USACE, as with

all federal agencies, is subject to the Office of Management and Budget Circular A76, “Performance of Commercial Activities”; which requires the government to review its operation and contract out certain activities which can be performed better by the private sector. Vice President Al Gore has urged all federal agencies to become more efficient. The sense of urgency was reinforced when a new Chief of Engineers was appointed in October 1996 bringing with him a desire to bring USACE into the 21st century. General Ballard said of Leading Change: "That book changed my life"⁷

Step 2 Creating the Guiding Coalition.

Getting the right people at the top and getting them to agree on a course of action is not an easy process. In this category the Corps took advantage of personnel turnover and downsizing to establish senior leaders who were committed to change. Over 16 new senior executives (SES) have been chosen in the past 3 years.⁸ This provided top management the opportunity to ensure the senior executives would support change. Political infighting was replaced with a corporate mission to establish a new vision and make the necessary changes in USACE.⁹ This provided the strong, cohesive guiding coalition to implement and prevent real change.

Step 3 Developing a Vision and Strategy.

The need for a vision to guide an organization is a common element in today's leadership theory. Vice President Al Gore defines the government's vision as: “In time for the 21st century, reinvent government to work better, cost less, and get results Americans care about.”¹⁰ Former Army Chief of Staff General Gordon R. Sullivan describes a vision as: “... a sense of the future. It is an imagined possibility, stretching beyond today's capability, providing an intellectual bridge from today to tomorrow, and

forming a basis for looking ahead, not for affirming the past or the status quo.”¹¹ John Kotter says a vision refers to “a picture of the future with some implicit or explicit commentary on why people should strive to create that future.” He gives 6 characteristics of an effective vision: “Imaginable: Conveys a picture of what the future will look like. Desirable: Appeals to the long-term interest of employees, customers, stockholders, and others who have a stake in the enterprise. Feasible: Comprises realistic, attainable goals. Focused: Is clear enough to provide guidance in decision making. Flexible: Is general enough to allow individual initiative and alternative responses in light of changing conditions. Communicable: Is easy to communicate; can be successfully explained in five minutes.”¹²

USACE’s vision is: “The world’s premier engineering organization. Trained and ready to provide support anytime, anyplace. A full spectrum Engineer Force of high quality, dedicated soldiers and civilians: A vital part of the Army; The Engineer team of choice – responding to our Nation’s needs in peace and war; A values-based organization – Respected, Responsive, and Reliable. Changing today to meet tomorrow’s challenges!” The vision has an implementing master strategy called “Corps Plus.” Corps Plus is a strategy to provide “better service to the Army and Nation in traditional Corps mission areas –and- Enhanced service through an expanded Corps role in strategically targeted Army military and civil mission areas.” The strategy has three major goals: Revolutionize effectiveness by using best business practices, bold process reengineering and innovative use of technology. Seek growth opportunities. Invest in people by having enlightened leadership and a talented, productive, and diverse work force.

Each of these goals has several sub-strategies and an expectation, which clearly defines what the Corps should look like in the future.

Step 4 Communicating the Change Vision.

Communicating and continuing to communicate the vision are essential. The real power of the vision is only realized when the entire organization has internalized it. USACE has published its vision and distributed a copy of it to every employee and has made it available on the internet. Since the Corps is such a large and diverse organization the regional offices (Divisions) have been directed to prepare a “Division Campaign Plan” and the Districts an “Operations Plan” to synchronize the total efforts as an organization. Commanders and senior leaders are required to use all means available to communicate the vision and the implementing plans. As Richard Lynch says: “The organization’s mission statement (vision) is applied to individual jobs by means of strategic planning. In this way the why of the mission (vision) becomes the why behind daily activity.”¹³

According to Lieutenant General Ballard the Corps now sees itself as “a dynamic organization rather than a static organization. A static organization is entrenched in the past with no outlook for the future. We are now a forward-looking organization, without forgetting about the things that made us great.” He also says: “I think my greatest accomplishment is not only do they (Corps of Engineers employees) understand where we’re going, but that the large majority, say 65 percent, understand why. They seem to embrace the direction and they don’t feel threatened by it.”¹⁴ The vision has been and continues to be communicated. In Step 8 we will discuss anchoring the new approach

and how personnel selections can ensure that eventually 100% of the organization will support the vision.

Step 5 Empowering Employees for Broad-Based Action.

Lynch says “ Effective organizations find it easier to get results, in part, because their workers want to do the work. They look forward to work each day because it satisfies them. And such workers will always produce better results than those who work only to earn a living.”¹⁵ Kotter says “Discouraged and disempowered employees never make enterprises winners in a globalizing environment.”¹⁶

Surveys¹⁷ conducted by USACE indicate that employee satisfaction remains high, with job satisfaction remaining above government wide levels. For example in 1996 86% disagreed with the statement “I don’t care what happens in my organization as long as I get paid” compared to 80% government wide. In 1997 more than half understood what they needed to do to support the vision. In 1998, nearly all had some understanding, but few had a complete understanding of their own personal involvement.

USACE is taking 3 major initiatives to align the structure with the vision: Project Management. The Corps has traditionally been a “stovepipe” organization where projects were managed by technical elements. A project would start in one function, such as planning and then progress through engineering to construction. Each change in function changed the responsible party for the project. Project management was initiated to provide the customer one point of contact through the life of the project. Secondly, Division Business Centers which centralize business planning at the regional level, leaving the Districts to execute the work. “One Door to the Corps is the easiest way to explain the Division Business Center. The customer still approaches a district to do the

work. But instead of having access to just that district's staffing and expertise, the customer has access to the entire division's staffing and expertise."¹⁸ Thirdly, centralized personnel selection, which is discussed in step 8. These changes are designed to make the organization more responsive to the customer and internalize the vision.

One shortcoming of the personnel system is the "win-lose" syndrome. In the federal civil service system an employee in an office that is downsized is responsible for finding a another job, retiring or being unemployed. The employees in an office that is not being downsized maintain their job. No consideration is given to the relative merit of the individuals effected. Helmut Mancher, Chairman and CEO of Nestle said "The human factor plays a prominent basic part in company strategy. It is essential (in order to achieve customer satisfaction) to give priority to people and products rather than to systems." He goes on to say that during mergers of companies one of the key considerations must be to "give all employees the same chance."¹⁹ . Kotter notes this as well when he writes: "People who have been through difficult, painful, and not very successful change efforts often end up drawing both pessimistic and angry conclusions."²⁰ Recognizing this General Ballard said, when asked what he expected from the people in the Corps: "Commitment... If you are committed to the process and willing to be a team player, I can guarantee the organization will find a place for you." The civil service system has its requirements does not provide much flexibility, those in gaining offices gain, those in losing or closing offices lose. Some of the scars of the failed reorganization remain, but have not been studied in the Corps Surveys but it may be why "rewards are often perceived as unfair, and outstanding performance is usually poorly recognized."²¹

Step 6 Generating Short-Term Wins.

Kotter explains that short term wins are necessary for several reasons. For USACE the most important are to build momentum and undermined cynics and self-serving resisters. The wins are publicized in the monthly in house newspaper, Engineer Update and by encouraging Hammer Awards. The Hammer Award is Vice President Al Gore's special recognition to teams who have made significant contributions in support of the President's National Performance Review principles. The Corps has a page on the internet for their Hammer Awards and as of January 1998 had received 34 Hammer awards.²²

Step 7 Consolidating Gains and Producing More Change

Kotter notes several characteristics that companies undergoing successful, major change display including leadership from successful management, project management and leadership from below. As stated previously the Corps has put its leaders out front in the change and implemented project management.

Step 8 Anchoring New Approaches in the Culture

Kotter notes that the new approaches must be institutionalized for the organization to build on its success and replace the old culture. Without this step the organization will not continue to develop. One method the Corps has used to anchor the new approach is to centralize the selection of senior (General Service level 14 and above) personnel. As General Ballard said: "The reason we select them at this level is because we get a broader pool of applicants, and we break the good ol'boy network. Down at the district level, it wasn't a selection process at all. It was a right of passage."²³ Another change was to conduct a Gallup Leadership Competency Interview for these senior level

positions. This interview measures leadership talent such as: vision, focus, desire to win, and being a team player. This is intended to ensure leadership ability, not just technical skill at this level

Conclusions and Recommendation.

The Corps of Engineers has actively implemented the principles John Kotter exposes in his book Leading Change. The eight-step process has been underway for about 18 months and changes have been made in the key areas of organizational structure and personnel selection. Commitment to the change seems to be shared by individuals at all levels of the organization, but there has been resistance to specific decisions, such as centralization of personnel selections.

The general vision provided by Vice President Gore can be translated into an organizational specific vision and change implemented. Building a team committed to change, developing the vision and communicating the vision are key steps. Employee acceptance can be complicated due to civil service regulations, which produce a "win-lose" situation not based upon the merit of the individual, but rather where they happen to be working when the change is implemented. Addressing this, and other employee concerns, is critical to obtaining support throughout the organization.

Success is by no means assured. Downsizing and contracting out pressures continue. But the option of trying to maintain the status quo appears unlikely to succeed.

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¹ Kotter, John (1996) Leading Change Harvard Business School Press, Boston, MA

² Engineer Update, March 1997

³ Hammer, Michael and Champy, James (1993) Reengineering The Corporation. Harper Collins Publishers, New York, New York, pages 17 and 35.

⁴ Gore, Al Business Like Government available on line at: www.npr.gov/library/nprprt/annrpt/vp-rpt97/

⁵ *ibid*, pages 3 and 4

⁶ Lynch, Richard (1993) Lead: How Public and Nonprofit Managers Can Bring Out the Best in Themselves and Their Organizations. Jossey-Bass, Inc Publishers, San Francisco, CA, page 25

⁷ Engineer Update, October 1998

⁸ Engineer Update, March 1996, March 1998 and August 1998

⁹ Engineer Update December 1993

¹⁰ Gore, Al America @ Our Best: NPR's Vision for the Future available on line at: www.npr.gov/library/vision.html

¹¹ Sullivan, Gordon and Harper, Michael (1996) Hope is Not a Method Random house, Inc. New York, New York, page 79

¹² *ibid* pages 68-72

¹³ *ibid* page 71

¹⁴ Engineer Update October 1998

¹⁵ *ibid* page 93

¹⁶ *ibid* page 114

¹⁷ Engineer Update August 1966 and October 1998

¹⁸ Engineer Update July 1998

¹⁹ Mancher, Helmut (1992) Leadership in Action: Tough-minded Strategies from the Global Giant.

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²⁰ ibid page 17

²¹ Engineer Update October 1998

²² Engineer Update January 1998

²³ Engineer Update, October 1998