



ROSABETH MOSS KANTER

The Change Wheel: Elements of Systemic Change and How to Get Change Rolling

Getting in gear to get change rolling requires more than announcing a strategic decision or a goal for change. To support the decision, a culture for change needs to be programmed into an organization's (or a wider system's) method of operating. Without fundamental systemic change, organizations will always revert to their basic pattern, like the default position on a computer program. Leaders must thus reset the organization's default position; they must change the template and get to the underlying code (which some call the organization's DNA). A single intervention in a dysfunctional system won't change outcomes unless the underlying design is addressed. In that sense, "Every system is perfectly designed to produce the results it gets."¹

Ten major elements either lock a system in place or contribute to systemic change. The elements are captured in a simple model called the Change Wheel.² Each spoke contains an element that, when combined with others, gets systemic change rolling. A wheel is an appropriate image, especially when seeking radical change. After all, the turn of a wheel is a *revolution*. And the circular shape means that no one element automatically comes first; there can be many starting points. But all elements must reinforce the change, or the wheel will stop turning.

The Change Wheel is moved by human agency, by people who put their own passion and brainpower into the effort of change. People at all system levels increasingly have the tools to provoke if not perfect systemic change, through access to powerful information and communication technologies, including those that are mobile, and thus agile and flexible. The Change Wheel should thus be imagined as more like a bicycle wheel than a train wheel that has to run on a fixed track. The bicycle image is appropriate in other ways, too. In 2011, Apple briefly became the world's most valuable company as well as widely-admired; at the founding of Apple, Steve Jobs referred to the company's mission as producing "bicycles for the mind," or tools that would democratize computing

¹ This is a favorite saying of Dr. Donald Berwick, founder of the Institute for Healthcare Improvement in Cambridge MA and a colleague at Harvard Medical School and School of Public Health.

² This model was first fully elaborated in Rosabeth Moss Kanter, *Evolve! Succeeding in the Digital Culture of Tomorrow*, Boston: Harvard Business Press, 2001, chapter 9. It became the basis for an online change toolkit used in companies and school systems around the world, currently still available for education change under IBM sponsorship at www.reinventingeducation.org. Development of the model benefited from collaboration by R. M. Kanter, Barry Stein, and Todd Jick, *The Challenge of Organizational Change*, New York: Free Press, 1992.

Professor Rosabeth Moss Kanter prepared this note as the basis for class discussion.

Copyright © 2011 President and Fellows of Harvard College. To order copies or request permission to reproduce materials, call 1-800-545-7685, write Harvard Business School Publishing, Boston, MA 02163, or go to www.hbsp.harvard.edu/educators. This publication may not be digitized, photocopied, or otherwise reproduced, posted, or transmitted, without the permission of Harvard Business School.

power and make it accessible to the masses. In a similar spirit, the Change Wheel can empower more people in more systems to lead effective change.

The Ten Elements: Spokes of the Wheel



Source: Casewriter

- *Common theme, shared vision:* The change message must be well and widely understood. It can be crafted by a small group, but it becomes truly shared – internalized – as it is used by large numbers of people. Initially, spreading the message is a matter of articulating it well and broadcasting it to many audiences on many occasions. Repetition and redundancy help get attention in a noisy world of too much information. Savvy CEOs realize that there is no such thing as over-communication but there can be miscommunication if the theme and vision is not repeated often enough to make it clear, rather than subject to multiple but erroneous interpretations.
- *Symbols and signals:* People are always examining leader actions, looking for signs of whether the change is serious and how it will feel. Small symbols can have big consequences, and they become stories that organization members tell one another. The right early signals can show people what the change will mean for them. (Eliminating reserved parking is how some

companies signal a reduction of hierarchy.) Leaders are scrutinized for the consistency between their message and their model – what they say versus what they do. Change leaders in particular will gain or lose credibility based on whether their actions seem authentic. They need to send signals that they mean it. Symbols and signals can often become iconic stories that are repeated throughout the organization – defining moments that shape a narrative.

- *Governance and accountability structure:* Change needs someone at the controls, even if ultimately everyone has to get involved in change. And there needs to be a process for steering it in the right direction. This involves the nuts and bolts of project management, on a large scale. Assigning accountability for the big picture – the overview of all the elements of change – is an important step. For large-scale transformations the governance mechanism might overlap with existing formal groups, such as the board or top management group. But often another group is formed specifically to oversee and guide the change, which might require special attention and a different kind of accountability.
- *Education, training, action tools:* How do people know what to do to make the change operational, to make it real in their activities? The same words can be understood differently by each part of the organization, interpreted from their own perspectives. Therefore education is necessary to communicate the why and what of change. (The Why can sometimes be more important than the What; once people understand the goal and its rationale, they are better able to envision and carry out new actions.) Training is also necessary for people to become adept at the new behavior implied by the change. And action tools help people relate the change to their own day-to-day work by giving them models or templates. This element is critical to shape and guide behavior. Sometimes change doesn't happen not because of resistance but because people simply don't know what to do to make a difference, or how they should act differently.
- *Champions and sponsors:* Changes need people who become passionate about seeing that they take place. Champions are the activists and cheerleaders for change, the leaders of new initiatives who argue for change and develop mini change projects themselves. Sponsors are more senior people who make sure that the change has the backing of those with the power to fight for it. In some organizations or systems, these are formal roles or assignments that go beyond the actual job (e.g., Change Agent Programs at various companies³); in other cases, they are volunteers who take on self-organizing tasks because of a belief in the vision and find their own top-level sponsors.⁴
- *Quick wins and local or grass roots innovations:* Early successes (quick wins) show that change is possible and indicate what the change means in practice. Proof of concept through a robust demonstration is essential to overcome inertia and get anyone to believe that change is possible. In fact, systemic change sometimes occurs as emergent change, from the ground up, when local units or change champions depart from tradition and innovate toward new models. When change is an official process, it is important to get the grass roots involved in shaping change by picking projects that particular units can tackle. This is improvisational theater at its best – a clear overall direction, but details created as units take hold of the change

³ As described in R. M. Kanter, *Confidence: How Winning Streaks and Losing Streaks Begin and End*, New York: Crown, 2004, chapter 9. Initiative is one of three cornerstones of confidence, along with accountability and collaboration.

⁴ R.M. Kanter, *SuperCorp: How Vanguard Companies Create Innovation, Profits, Growth, and Social Good*, New York: Crown, 2009, chapter 6. especially but also chapters 3 and 4.

and make it their own, in a form of rapid prototyping familiar in the technology world.⁵ Small wins give people the confidence to embrace the change and try even bolder innovations over time, and local action initiates innovations that support the overall goals while shaping the specifics.⁶

- *Communications, best practice exchange:* Change requires much more communication than routine activities. Top leaders need to know what's happening in the field so they can make adjustments to support it or steer it in a different direction. Local units need role models to learn from the experience of their peers, to see what's possible, and to be spurred to new heights. Change can be chaotic without a way to communicate what's happening everywhere so that everyone sees the context in which change is occurring, knows the full array of actions, and can modify their own plans accordingly. New media multiply communication channels and open new possibilities for posting, networking, alerting, and reflecting. Self-identified and self-organized communities of practice also constitute a new channel for spreading ideas.
- *Policy, procedures, structure alignment:* Every organizational rule, routine, job description, requirement, or procedure can either reinforce or undermine the desired change: the formal organization chart or division of powers, human resource systems (hiring criteria, promotion criteria, compensation policy), policies about who gets to talk to customers or to the press. And of course, within organizations, the organization structure itself – the groupings of people, tasks, business units, etc. Rules and processes need to be reassessed and adjusted to support the new direction. Organization structures and reporting relationships might also need to be modified to support the change goal.
- *Measures, milestones, and feedback:* It is important to know whether the change is on track. Establishing measures of progress is important, especially for softer changes (such as shift of culture) or ones that will not show up in conventional financial results. Dividing big changes into small increments with clear milestones is helpful for measurement and morale; each milestone successfully passed is a cause for celebration, or each one missed a cause for readjustment. There needs to be a feedback loop based on agreed-upon measures of progress – which reinforces the “education and training” element just across the wheel. And accountability for performance is essential for achieving any goal, whether winning a game in a team sport or transforming a health care system; metrics that permit peer comparison and self-adjustment can be powerful levers.⁷
- *Rewards and recognition:* A system's carrots and sticks combine with its publicity engine to create heroes of the revolution or enemies of the change. Who gets rewarded and for what reason is an essential component of change. Financial incentives are considered by economists to be essential to motivate and direct behavior, and indeed, compensation schemes can be powerful. At the same time, non-financial rewards, such as recognition (an often-underutilized tool that is abundant and free) can tell people what the system's leaders think is valuable and also offer emotional rewards. But unless the behavior targeted for reward is consistent with the goal, change will be stymied. Climbing out of the global financial crisis

⁵ R.M. Kanter, *Evolve!*, *ibid.*, “Strategy as Improvisational Theater.”

⁶ R.M. Kanter, *Confidence*, *ibid.* Small wins are an important part of the turnaround process, and they can start a virtuous cycle of success through three effects: (1) an accumulation of successes that bring the system closer to its goal; (2) a small win can sometimes become a major breakthrough; and (3) people at all levels feel empowered to act.

⁷ R.M. Kanter, *Confidence*, *ibid.*, chapter 7.

was made more difficult when under-performing, even failing, companies paid big bonuses to executives – in that case, why should anything change?

Using the Wheel

At the center of the Change Wheel, its hub, is the Goal. (See **Exhibit 1**) This is the systems outcome in terms of culture and performance, what the desired new state of the system should be. More innovation? Increased global market penetration? Better health in the community? Improved customer service? A more agile, responsive culture able to handle surprises? Increased talent retention and opportunity for diverse talent?

The Change Wheel is a diagnostic tool and planning guide that examines how actions on each spoke contribute (or not) to the goal. It can be used to organize and examine information about many different actions, programs, or system actions. What is being reinforced and how? What's being done to get to the goal? Is there enough action along each spoke? What is missing and should be added? What is contradictory, or might be generating unintended consequences? Where are the opportunities for leverage? Diagnosis can lead to action plans – still keeping the whole wheel in mind.

Exact classification is not always possible; a given action, program, initiative, or policy consideration might fall into more than one element – that's in the nature of programs and practices that serve multiple functions and can't be neatly boxed.. A policy or rules change might also become an important symbol and signal conveyed in stories, if done at a salient moment and representing something important to system members. Thus, it is more useful to be comprehensive in identifying key actions or change elements without being overly concerned about the correct box.

It is also important to note that every system exists in a wider context. Think of it as the landscape or terrain through which the wheel must roll – bumpy, smooth, uphill, downhill, flat, with few surprises (increasingly rare) or unexpected potholes and pitfalls. Although the Change Wheel model doesn't show them, numerous external stakeholders, customers, media, investors, critics, rivals/competitors, and partners/allies can put a brake on the movement of the wheel or be enlisted to strengthen it and accelerate action. Symbols and signals, for example, can involve external as well as internal actions.

Riding on All Spokes

To change the code and reset the default position requires action on every spoke of the Wheel. Companies that struggle with change are often unwilling to engage all the gears. Change starts, and then stalls because a few spokes were activated but nothing happened in the others. For example, after a slow start, Williams-Sonoma eventually embraced the e-commerce theme with active sponsors and champions and quick wins, but was not yet ready to change a compensation system that rewarded divisions primarily for their own results.

In contrast, IBM consistently reinforced its transformation in the 1990s from a hardware company to a Web-enabled software and services company through actions around the whole wheel: e.g. a common theme for the entire company (“One IBM”), signals of change (eliminating divisional CIO titles), a governance structure for Web activities, abundant training and tools, new content of plans within each business unit, internal and external publicity, new information systems, specific metrics,

and new reward programs including performance appraisal changes and incentive compensation schemes.

Moving around the Wheel: A Logical Change Sequence

Organizations cannot always do everything at the same time, and what happens within one element of change influences others. So there is logic to the order in which I've presented the spokes of the wheel. (See **Exhibit 2**) These shouldn't be thought of as steps, because many of them need to be done together, and there is a risk to leaving some spokes until later – like riding a broken bicycle. But it is possible to think of planned systemic change as unfolding clockwise around the Change Wheel starting with a theme or vision.

- Theme/vision, symbols/signals, and governance structures make sense at the very beginning.
- Next, educational events can help identify and groom champions and sponsors, and quick wins/local innovations can then more easily follow.
- The activities at the grass roots then trigger the next three elements: lessons to communicate; clarity about what needs to change in rules and procedures to support the kinds of innovations and activities that are emerging as the change idea becomes actualized; and measures of progress.
- Rewards help lock the whole thing into place.

The elements overlap, because the same action can have multiple ramifications – for example, identifying change champions to lead local innovations and communicate with other groups to exchange best practices puts many of the spokes into gear.

However, planned change that begins with leaders defining and disseminating a common theme/shared vision is not the only way that the action begins. In fact, grass roots innovation or departures from tradition – actions led by people in so-called “middle,” “lower,” or “local” positions – often precedes official statements of the change leaders seek and might even become the model for larger change, when crisis or threat dictates a search for a better systems model⁸ Indeed, self-organizing, often using social media and new communications technology, amplifies the power of the grass-roots or local unit in the change process. Change in non-bounded or less-bounded systems – such as communities, nations, health care systems, etc., in contrast to specific organizations or companies – often resembles social movements more than it resembles all-knowing leaders creating a great strategy and expecting its execution. That is, many independent individuals or groups start creating grass-roots demonstrations – in the case of Occupy Wall Street, literal demonstrations – which gain momentum. Sometimes these are local models that get elevated to national or organization-wide policy, such as City Year, which began as a pilot program in Boston and became the model for America's federal government –sponsored national service. Sometimes the departure from tradition is accidental, as when an organizational unit in a remote and culturally-different location does things differently because the unit is too distant for scrutiny – and ends up creating new ways of working that solve a later problem for the wider organization.

Note that action is possible in one section of the Change Wheel that can feel to some members of the system like progress – but without guaranteeing that the ultimate Goal will be reached, because

⁸ R.M. Kanter, *The Change Masters*, New York: Simon and Schuster, 1983, “The Architecture of Change.”

the rest of the wheel is broken. For example, local, grass-roots innovations or new ventures in established systems can surface through the actions of champions and their sponsors who lead the initiatives and can show quick wins. But to be sustained, diffused, and scaled within an organization or wider system, including many organizations, requires more change in more spokes of the Change Wheel. This is why many worthwhile social enterprises remain at the level of local demonstrations even when they represent a potential world-changing model. A few health clinics in Africa or charter schools in America can demonstrate new possibilities, but they might languish as isolated instances without change in the surrounding system such as a shift of governance, new kinds of training and new champions, new rewards/recognition/incentives, and so forth.

Connections between Spokes: Mutually Reinforcing Elements

The layout of the Change Wheel has some important features. The ten elements fall into two large segments of the wheel, one involving people and culture, the other involving formal mechanics/engineering. (See **Exhibit 3**) These are sometimes (a bit unfairly) characterized as “soft” and “hard.” Some companies fail to create sustainable change because managers lean toward one half or the other. Failures at major transformation are common because of this. Some companies restructure, change processes, add metrics, and change incentives on the mechanics or engineering side, but do little or nothing to frame a vision, symbolize it through leadership actions, offer training, and empower champions for local innovations on the people and culture side. It is less common, but also a source of failure, for a leader to work the people/culture side without reengineering the system mechanics. The lesson is clear: A lopsided wheel can’t roll forward.

The people/culture and formal mechanics/engineering sides of the Change Wheel are actually connected via the various spokes of the wheel. Spokes reinforce one another across the Change Wheel. (See **Exhibit 4**) And each spoke has more strength when its counterpart directly opposite on the wheel is also moving in the same direction.

- *Common theme or vision* can’t be fully shared unless *local innovations/quick wins* are in motion. It’s not clear what the vision means until there are concrete demonstrations of new possibilities. Local or grass roots innovations seem like random deviations without a guiding theme or vision.
- *Symbols and signals* require *communication* channels to amplify their message. Communication, even of “best” practices, is less meaningful without memorable symbols or iconic stories.
- *Governance and accountability* can sometimes require *structure and procedure* changes, or new ways of organizing under new processes. Structures, policies, and procedures change must be guided by a group that is accountable for results.
- *Education, training, and action tools* require *feedback* mechanisms, including metrics and measurements – otherwise, how can those guiding the system know whether the training is effective, the tools put in use? At the same time, the use of appropriate metrics of performance and timely feedback indicates where the shortfalls are that can be overcome by training and new tools for action.
- *Champions* of change who lead initiatives and projects, and the sponsors that support them, cannot be expected to do the extra work of change *without rewards and recognition*.

Overall Systemic Change Principle: *To Make Revolution, You Must Keep Revolving*

The challenge in a fast-paced world is to get the wheel revolving faster, toward a more highly evolved organization that can keep the momentum going. But it's important to remember that one must go around the whole wheel, doing something at each spoke, before a round of change can be declared complete, and the next is undertaken.

In relatively small change efforts, one time around the Change Wheel might be enough to redirect the team, group, or organization and to support progress toward the goal. Large-scale transformations, in contrast, generally take many years and many turns of the wheel before the transformation is complete and sustainable. Change is fatiguing, and the temptation to stop (or declare "mission accomplished" while the war has barely started) is always present. It is also tempting to give up on change if the single round around the Change Wheel doesn't yet quite reach the lofty change goal – you're still in the miserable middle of change. This is why difficult change requires many revolutions of the wheel, each one adding further strength to the 10 spokes until the destination appears to be reached – and then continuing to ensure that the change is reinforced by locking the new state of the system in place.

Exhibit 1 Change Wheel



Source: Casewriter

Exhibit 2 Logical Sequence for Moving Around the Wheel



Source: Casewriter

Exhibit 3 Segments of the Wheel



Source: Casewriter

Exhibit 4 Connections between Spokes

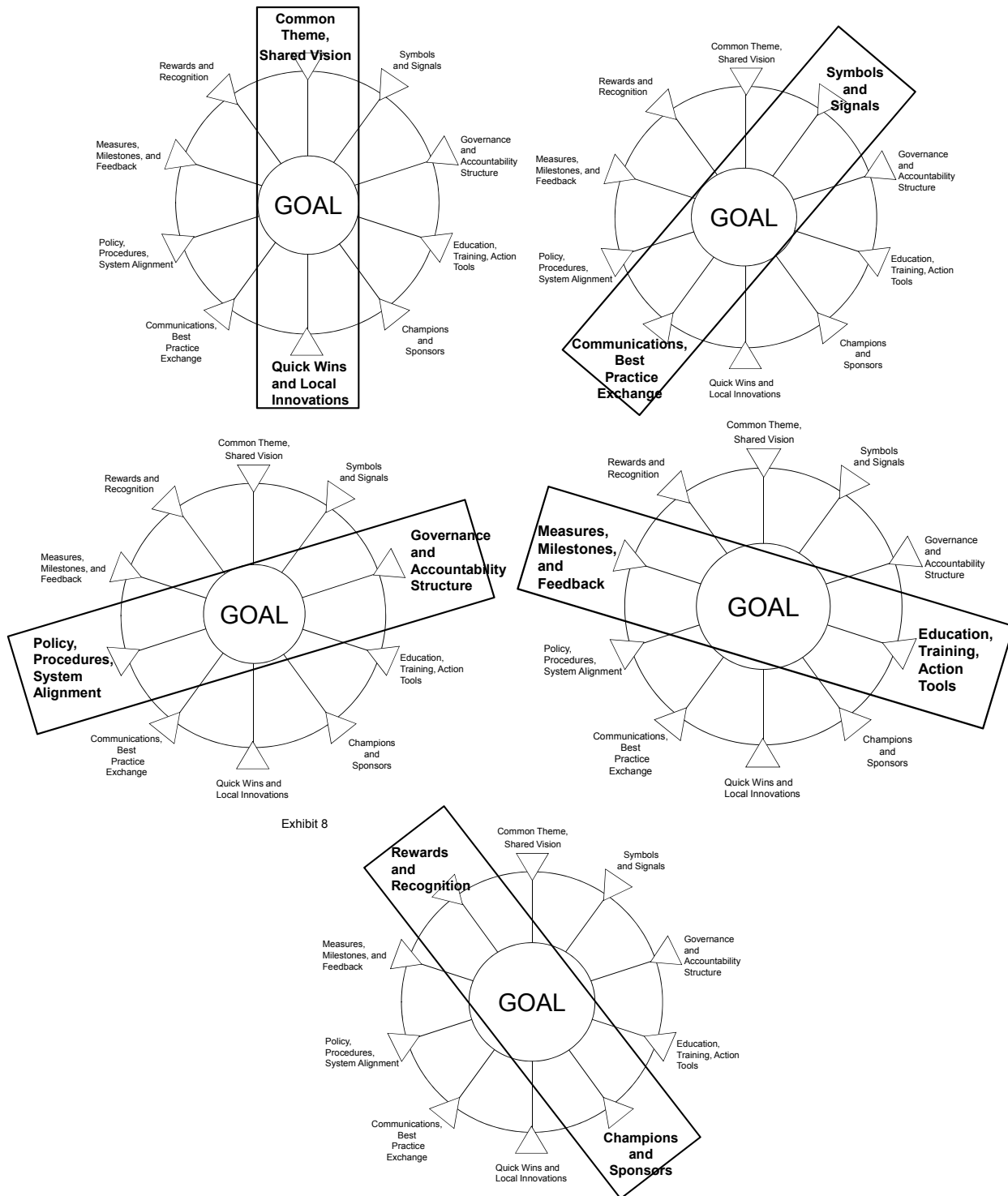


Exhibit 8

Source: Casewriter