

Interview on Change Leadership at Mascoma Savings Bank

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### Abstract

One of the most comprehensive and most logical course of action when managing change is the eight-step process as defined by Dr. John Kotter. The eight steps in Dr. Kotter's process include: increasing the urgency for change, building a competent guiding team, getting the vision for the change process correct, communicating the change process for adequate buy in, empowering action and removing barriers to change, creating short term wins, not letting up once the change has been implemented, and ensuring that the change has stuck with the organization. Dianne Pellegrini works for the Employee Education and Development department of Mascoma Savings Bank. Her years of experience with the organization gives her a unique perspective on the change process and how it can affect employees at all levels of the organization.

### Interview on Change Leadership at Mascoma Savings Bank

Change is ongoing in the banking industry and can be brought on by a multitude of factors. These factors can include both regulations from federal or local agencies as well as human factors such as the employees themselves. The person interviewed for this project was Dianne Pellegrini who works in the Employee Education and Development department at Mascoma Savings Bank. Ms. Pellegrini has been with Mascoma Savings Bank for several years working as a teller and a personal banker and recently had the opportunity to move into a teaching position within Employee Education in October of 2010. One of the most impressive traits of Ms. Pellegrini is in the fact that she is constantly looking out for new ways to improve programs offered by Mascoma Savings Bank, both internally as well as externally, as she realizes that nothing stays the same forever and companies must be willing to change in order to stay competitive.

Increasing urgency when bringing about large-scale change is the first step in Dr. John Kotter's eight-step change management process. Dr. Kotter mentions that, "establishing a sense of urgency is crucial to gaining needed cooperation (Kotter, 1996)." Ms. Pellegrini mentioned in her interview that there is often a lack of urgency with regards to class and workshop attendance and that much of this lack in urgency has to do with the day-to-day responsibilities of the individual within a department. Often times there seems to be a lack of cross-trained employees who can fill in for that person so that they may participate in a workshop. Employee Education is currently in the process of coming up with new ways for employees to attend much needed workshops by offering some classes in a basic online lecture format as well as making visit to branches and departments as needed to provide necessary coaching when needed or

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requested. As an example of this, Ms. Pellegrini will be going around to all departments and branches to meet both with supervisors as well as individual employees in order to discuss what everybody is looking for out of their individual development plan as well as ways to meet those development goals.

Step two in Dr. Kotter's process is to create a guiding team to bring about the change process. Without a competent and trustworthy guiding team, the rest of the steps in the change process will not be successful as that team will not be able to develop the right vision, communicate the vision to a large group of people, eliminate obstacles to change, generate the short-term wins needed to show that the change is working, manage multiple initiatives at one given time, and keep the new approaches pertinent in the current organization (Kotter, 1996). One of the things Ms. Pellegrini has been doing since joining the Employee Education department last year was network with people who may be considered experts in their area when coming up with improvements to current programs in the organization. She has also worked hard to make sure everybody "stays in the loop" during the entire process as communication is essential to making sure people will be buying in to the process. Another thing Ms. Pellegrini does when making sure all voices are heard is to purposely seek out other opinions, even if those opinions don't agree with her own opinion of the subject as she believes bringing more opinions to the table will only help the group come up with a more complete solution to a problem.

Getting the vision correct is the third step in the eight-step change process as developed by Dr. Kotter. The whole purpose behind the vision is to give the organization a clear sense of direction when it comes to implementing a change (Kotter, 2002). When coming up with the vision, it is important to take into account where the organization is now as well as where the organization wants to be in the future. It is also important at this step to start recognizing what



some of the major inhibitors to change are within the organization as well so that they may be addressed as the change process progresses further. Ms. Pellegrini mentioned in her interview that the biggest inhibitor to change for Mascoma Savings Bank has to be the regulations the bank has to follow when conducting business. The regulations of today, however, should not have to completely derail the need for change; it just requires people to be more creative when coming up with ways to fix a problem.

Step four in the eight-step change process has to do with communicating for buy in. Communicating the reason for the change as well as the direction the organization wants to go in should be communicated openly and in as many different forums as possible. Essentially the purpose of communicating for buy in is to get as many people on board with the change process as possible in order to make the vision a reality (Kotter, 2002). Another important part of communicating for buy in is assessing how well the message is getting across to the entire organization. Ms. Pellegrini mentioned in her interview that one of the primary ways in which she solicits feedback is by having casual conversations with other employees in order to assess how well they understand the vision or by passing around attitude surveys to gather more statistical data on the vision and change process. Often if she gets the sense that the vision is not going to work she will actively seek out more information and tweak the vision until it is correct and try to communicate the vision again.

Empowering action is step five in the eight-step change process. As Dr. Kotter points out, people will often not want to help out in the change process if they feel powerless in the whole process (Kotter, 1996). Ms. Pellegrini talked in her interview of how bringing the bank's senior leadership team on board with the change process first will typically help get other departments and areas on board with the change process as well. Often when the senior

leadership team is on board with the change process they will pass off individual parts of the process to various departments for research. This is where bringing middle management on board is important, as middle management will be the group responsible for delegating research responsibilities to individual employees. At our organization, the change process will often start from the top and work down the ranks from there, but many front line employees will have the opportunity to be brought on as subject matter experts as time goes on, which truly seems to make them feel like they are part of the process.

Just as creating short term wins is important to the change process, so is creating short-term wins. Creating short-term wins is step six in Dr. Kotter's eight-step change process. Essentially the purpose of creating short-term wins is to celebrate victories, reward hard workers, keep critics at bay, and to build momentum as the change process moves forward (Kotter, 2002). When interviewing Ms. Pellegrini, it was mentioned that the easiest way to make sure wins are noticed is by communicating them as they happen in order to show the organization what has been working to push the change forward. Communicating a win shows that the change is unambiguous and it also gives people the opportunity to ask for clarification if they have further questions about what is going on with the change process. Ms. Pellegrini also mentioned that communicating wins also helps to alleviate fears about changes that will be coming in the future.

Once the change has been made and has been proven successful, at this point the seventh step in the process, not letting up, takes place. This is where it is critical to make sure that urgency for the change process remains high and that victory is not declared before it has truly been achieved (Kotter, 2002). As an example of not letting up, Ms. Pellegrini chose to use the self-leadership program for employee development at Mascoma Savings Bank as an example to

illustrate this step in the process. Some of the main reasons why Ms. Pellegrini believes the self leadership initiative has stuck at Mascoma Savings Bank was because it was established for all employees at the same time, there are regular follow-ups relating to the process, and mostly because everybody is required to try the program so that they can become more aware of the fact that the program can be tailored to suit their own individual needs as an employee. Ms. Pellegrini also mentioned that all employees should be recognized for the unique experiences and knowledge they each bring to the organization and that there really is no limit to what the employee can develop for skills while they are with the Bank.

The last step in Dr. Kotter's eight-step change process is making change stick and ensuring it becomes part of the culture of the organization. Essentially this translates to making sure the organization as a whole remains on the forefront of emerging technologies, becomes more aware of the world around them, continually comes up with innovative strategies for the future, and making process more efficient in order to thrive in the future marketplace (Kotter, 2002). One important part of making sure that change sticks within an organization is to ensure that the right people are being promoted to positions of power. One thing Ms. Pellegrini mentioned when looking for a candidate to promote to a higher position within the company is not only the job skills that individual may possess, but competency traits such as fairness, team focus, and approachability as a leader as well. She also mentioned that recognizing those employees who exemplify the traits required of those in leadership positions is essential to making sure they make it to a position of influence, no matter how small or how great those achievements may be.

From beginning to end, the eight-step change process model as demonstrated by Dr. John Kotter not only makes sense, but it is a clear framework from which others may make

interpretations in order to make changes within their own organization. As demonstrated in the interview with Dianne Pellegrini in the Employee Education and Development department at Mascoma Savings Bank, one does not need to have an extensive background in business to make full use of the tools Dr. Kotter suggests for as long as the framework for change is present the results of the change process will follow. Having leaders in organization, being management or not, who realize that change is essential to ensuring the ongoing survival of an organization is critical to ensuring that the organization not only thrives in today's marketplace, but thrives into the future as well.

### References

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