WILLIAM BRIDGES & ASSOCIATES

RESOURCES FOR ORGANIZATIONS IN TRANSITION

Getting Them Through The Wilderness

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A Leader's Guide to Transition

by

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The Problem at NewTech

The problem at NewTech is one that is becoming increasingly familiar today: the marketing department in that large manufacturing company[1] needed a stronger hand and a clearer direction. The company's old, technology-driven strategy was starting to give way to a more customer-oriented approach, and a new vice president had been brought in to "straighten things out" and "start doing some real marketing."

He had studied the mess and decided to reorganize the department. He had taken his managers off on a retreat and with them had hammered out a new marketing strategy—as well as a different departmental structure that was more appropriate to the new strategy. Reporting relationships were changed. Some of the less productive old-timers were weeded out. New priorities were proclaimed, and a no-nonsense management style became the order of the day. The new VP was confident that his organizational renewal effort was the kind of thing that a turnaround requires.

My organization conducted an assessment of the results two months later and found that what had taken place was not a renewal but something approaching a disaster. The changes that were meant to invigorate the organization had weakened it. Several of the best upper-level managers had left the company, and absenteeism had doubled. Projects were way behind schedule, and the grapevine was full of stories about subtle acts of sabotage to the departmental data bank. People were self-absorbed, anxious, and resentful, and the teamwork that the department had always prided itself on was breaking down as a "musical chairs" mentality began to turn everyone's attention to whether there would be a place for them when the reorganization music stopped.

The executive who had begun with such great plans was confused and discouraged. Most of the changes that he had undertaken were sensible ones, and he had communicated his intentions clearly. He had set up a special transition team to solve problems that arose during the changeover. He had held "visioning" sessions for his direct reports and had asked them to do the same with theirs. He had solicited employee input and instituted a plan for productivity bonuses. Telling me all this, he threw up his hands and asked, "What more could I have done?"

1 This Fortune 500 company has been disguised by name, and a few details have been changed to protect the company's anonymity. But the reorganization effort and the resulting demoralization are accurately described.

The executive's problem was not that he should have done more, but that he had made a basic mistake that has become increasingly costly in today's constantly changing environment: he had planned the organization's changes carefully and forgotten to deal with the people's transitions. When I said that, he objected, "But we have a transition team." Like most leaders, he confused "transition" with "change"—assuming that transition just meant gradual, extended, or unfinished change.[2]

But transition is very different from change. Change is situational: the reduction in the work force, the shift in the strategy, and the switch in reporting relationships are all "changes." Transition, on the other hand, is a three-phase psychological reorientation process that people go through when they are coming to terms with change. It begins with an ending—with people letting go of their old reality and their old identity. Unless people can make a real ending, they will be unable to make a successful beginning.

After the ending, people go into the second phase of transition, the neutral zone. This is a no-man's land where people are (in Matthew Arnold's graphic image) "Wandering between two worlds, one dead,/The other powerless to be born." The neutral zone is a time and a state of being in which the old behaviors and attitudes die out, and people go dormant for a while as they prepare to move out in a new direction. It is a dangerous time for organizations, but it is also a time when innovations and experiments have an especially good chance of succeeding.

Only after going through each of these first two phases of transition can people deal successfully with the third phase: beginning over again, with new energy, a new sense of purpose, a new outlook, and a new image of themselves. And that is where the executive at NewTech missed the boat. He tried to get people to make a new beginning without seeing to it that they went through the other two phases of transition first.

The executive's mistake is certainly a characteristic American one. Perhaps it is our frontier heritage, which emphasized starting over again (and again and again) whenever things did not pan out and viewed the past as something you could always walk away from. Perhaps it is the fact that,

[2] For more information on transition, see William Bridges, *Surviving Corporate Transition: Rational Management in a World of Mergers, Start-Ups, Takeover, Layoffs, Divestitures, Deregulation and New Technologies*, paperback edition, available from William Bridges & Associates, 38 Miller Ave., Suite 12, Mill Valley, CA 94941.

unlike older nations that evolved slowly from a vast, dark past, our nation was the product of a series of intentional changes. Perhaps it is our mechanistic turn of mind, which suggests that you can just start things up if you know how to turn on the switch. Or perhaps it is our positivist outlook, that views painful endings as signs that people are "clinging to the past" in some unnatural way. Whatever the reason, Americans have always believed that healthy people and organizations just make up their minds to change and then do it. No wonder American executives and managers make changes with so little understanding of what people will have to go through if the changes are to work!

Understandable as that blindness is, it is simply a luxury that has become unaffordable today. Today the changes come too fast and from too many unexpected angles. There are too many stakeholders now—too many groups whose transitions, if mismanaged, will undermine the change. The old Light Brigade mentality ("Theirs not to reason why, / Theirs but to do and die") no longer works, especially with the younger generation of workers. Employer liability has increased vastly, and organizations today get hauled into court for management behavior that only yesterday was just "a little authoritarian." (In California, according to a recent Rand Corporation survey, it costs more than $200,000 to defend the average wrongful discharge suit, and awards are averaging close to three quarters of a million dollars.)

Finally, today's companies and institutions are operating with much narrower margins of profit and good will than they enjoyed less than twenty years ago. If the change takes half again as long and costs twice as much as expected, today's executives can no longer cover their mistakes with inflation-raised prices or expect the market to give them a grace period in which to catch up.

Many leaders fail to realize the importance of managing transition, believing that if the structural, technical, or financial changes go well, the human transitions will take care of themselves. But unless people can make the transitions that the changes require, those changes will simply not work. They may happen, but the result will be (in the words of one of our recent clients) that "everything has changed, but nothing is different." Such an organizational change is like the old medical joke about the operation that was a great success . . . although the patient died.

Our management books tell us much more about change than transition. We've all heard stories of leaders who have played a vital role in planning and executing organizational change, but there are fewer tales of leaders who have successfully managed transition. There is, however, one management classic that provides an excellent account of a leader's successful transition-management project. It is the Old Testament book of Exodus, and the leader is Moses.[3] It should be studied by anyone interested in how to lead a group of people from an old way of doing things to a new way.

[3] Actually the story runs through three books of the Old Testament, Exodus, Leviticus, and Numbers. The bulk of the narrative is, however, in Exodus.

Moses' "organization" was the people of Israel. Before his time, in the days of Joseph, they had lived in Egypt contentedly and held considerable power. But in Moses' day, they were—to use the Biblical term—in bondage. This is always the case in an organization that is approaching a change: in some sense or other, it is "in bondage" to an outlived way of doing things, thinking about things, or evaluating things.

Whether the outlived way is a seat-of-the-pants management style that used to work when the company was a start-up, or a bureaucracy's complex system of checks and balances, most problems are old solutions that have outlived their utility. Moses did what the transition leader always had to do: he looked for ways to get the system to "let my people go."

He discovered that it's difficult to break a system's hold on people. What he found is that the hold at first actually tightens. When Moses made his first effort, the Pharaoh (the symbol of the power of the status quo) replied that not only would he not let the people go, but that in fact they were going to have to do what they were now doing with even fewer resources. He announced that he would no longer provide the straw for their brick-making, but that instead the Israelites would have to gather their own straw. Of course the Bible does not actually term the tactic, "doing more with less," but the gambit sounds very contemporary.[4] (As you can see, poorly managed "productivity improvement projects" have been causing systems to break down for three thousand years!)

As usually happens during the first phase of transition (ending), plagues of problems began to develop. In Moses' world the plagues were rather graphic: blood in the water, swarms of frogs and gnats, livestock diseases, hailstorms, and locust invasions. Today's "plagues" are likely to be different, but just as disruptive of our organizational effectiveness as Pharaoh's were of his: the appearance of unexpected competition, the loss of important accounts, the defection of talented employees, and the development of legal difficulties and labor unrest.

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[4] Even the argument has a familiar boss-employee ring to it: "Then the foremen of the people of Israel came and cried to Pharaoh, 'Why do you deal thus with your servants? No straw was given to [us], yet they say to us 'Make bricks!' And behold [we are] beaten; but the fault is in your own people'... But [Pharaoh] said, 'You are idle... Go now and work; for no straw shall be given you, yet you shall deliver the same number of bricks.'"

But the message conveyed by the plagues is the same: "The old ways aren't working any more." It is a difficult message for the beneficiaries of the status quo to hear. They "harden their hearts," just as Pharaoh did. But in doing so, they push the old system closer to destruction.

Moses did what wise leaders always do when gradual, incremental change is no longer enough. He did not solve the problems; instead, he let them escalate. In so doing, he upped the ante until the interests of the old order began to coincide with the necessities of creating a new order. As the troubles mounted, Pharaoh grudgingly recognized that he really had to get the Israelites out of Egypt.

Now, letting problems escalate is a difficult course to take, and some leaders will even view it as a mistaken one. If a little tinkering with the system will put it to rights again, then Moses' strategy is indeed the wrong one. But fixing things becomes counterproductive where radical market, regulatory, or technological changes demand a profound organizational transformation. An out-of-date factory, for example, needs to be transformed or replaced. Incremental changes not only won't do the job, they will delay the more radical changes until it is too late to make them. In such cases, Moses' technique of letting the "plagues" increase the discomfort level is the better one.