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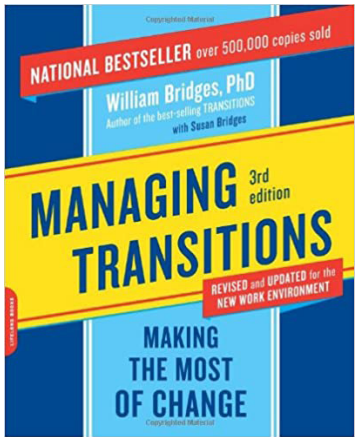

ABOUT THE AUTHOR

William Bridges

William Bridges is an executive development consultant and lecturer. He was previously the president of the Association for Humanistic Psychology.

Managing Transitions

THE SUMMARY

Da Capo Press 2003

PART ONE: THE PROBLEM

Chapter 1: It Isn't the Changes That Do You In

It isn't the changes that do you in. It's the transitions. They aren't the same thing. Change is situational: the move to a new site, the retirement of the founder, the reorganization roles on the team, the revisions to the pension plan. Transition, on the other hand, is psychological. It is a three-phase process that people go through as they internalize and come to terms with the details of the new situation that the change brings about.

Transition isn't some optional "if-you-get-around-to-it" add-on to the change. It is also not icing on the cake that can be forgotten until things ease up and you've finished with the important stuff. Getting people through the transition is essential if the change is to work as planned. When a change happens without people going through a transition, it is just a rearrangement of the chairs. It's what people mean when they say, "Just because everything has changed, don't think that anything is different around here." It's what has gone wrong when some highly-touted change ends up costing a lot of money and produces disappointing results. But as important as going through transition is to getting the result organizations are seeking, there is a lack of language for talking about it.

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Managing Transitions

Managing transition involves helping people through three phases:

1. Letting go of the old ways and the old identity people had. This first phase of transition is an ending, and the time when you need to help people to deal with their losses.

2. Going through an in-between time when the old is gone but the new isn't fully operational. We call this time the "neutral zone": it's when critical psychological realignments and re-patterning take place.

3. Coming out of the transition and making a new beginning. This is when people develop the new identity, experience the new energy, and discover the new sense of purpose that makes the change begin to work.

Several important differences between change and transition are overlooked when people think of transition as simply gradual or unfinished change, or when they use change and transition interchangeably. With a change, you naturally focus on the outcome that change produces. If you move from California to New York City, the change involves crossing the country and learning your way around the Big Apple. The same is true of your organization's change to a service culture or its reorganization into a regionally based sales force. In such cases the affected people have to understand the new arrangements and how they'll be affected by these changes.

Transition is different. The starting point for dealing with transition is the ending that you'll have to make to leave the old situation behind. Psychological transition depends on letting go of the old reality and the old identity you had before the change took place. Organizations overlook that letting-go process completely, and do nothing about the feelings of loss that it generates. In overlooking those effects, they nearly guarantee that the transition will be mismanaged and that the change will go badly. Unmanaged transition makes change unmanageable.

Once you understand that transition begins with a letting go of something, you have taken the first step in the task of transition management. The second step is understanding what comes after the letting go: the neutral zone. This is the psychological no-man's-land between the old reality and the new one. It is the limbo between the old sense of identity and the new. It is the time when the old way of doing things is gone but the new way doesn't feel comfortable yet.

It is important for people to understand and not be surprised by this neutral zone for several reasons. First, if you don't understand and expect it, you're more likely to try to rush through or even bypass the neutral zone and to be discouraged when you find that doesn't work. You may mistakenly conclude that the confusion you feel there is a sign that something is wrong with you.

Second, you may be frightened in this no-man's-land and try to escape. (Employees do this frequently, which is why there is often an increased level of turnover during organizational changes.) To abandon the situation, however, is to abort the transition, both personally and organizationally, and to jeopardize the change.

Third, if you escape prematurely from the neutral zone, you'll not only compromise the change but also lose a great opportunity. Painful though it is, the neutral zone is the individuals and the organization's best chance to be creative, to develop into what they need to become, and to renew themselves. The positive function of the neutral zone will be discussed further in a later chapter, so here let me simply say that the gap between the old and the new is time when innovation is most possible and when the organization can most easily be revitalized.

The neutral zone is both a dangerous and an opportune place, as it is the very core of the transition process. It is the time when re-patterning takes place: old and maladaptive habits are replaced with new ones that are better adapted

to the world in which the organization now finds itself. It is the winter in which the roots begin to prepare themselves for spring's renewal. It is the night during which we are disengaged from yesterday's concerns and preparing for tomorrow's. It is the chaos into which the old form dissolves and from which the new form emerges. It is the seed bed of the new beginnings that you seek.

Ending, neutral zone and new beginning are the three phases you need, in that order, for a transition to work. The phases don't happen separately; they often go on at the same time. Endings are going on in one place while in another everything is in neutral zone chaos, and in yet another place the new beginning is already palpable. Calling them "phases" makes it sound as though they are lined up like rooms in a house. Perhaps it would be more accurate to think of them as three processes and to say that the transition cannot be completed until all three have taken place.

Chapter 2: A Test Case

Summarizer's note: This chapter contains a brief example, and then an in-depth questionnaire. Therefore, it cannot be summarized.

PART TWO: THE SOLUTIONS

Chapter 3: How to Get People to Let Go

Before you can begin something new, you have to end what used to be. Before you can learn a new way of doing things, you have to unlearn the old way. Before you can become a different kind of person, you must let go of your old identity. Beginnings depend on endings. The problem is, people don't like endings.

Still, change and endings go hand in hand: change causes transition, and transition starts with an ending. If things change within an organization, at least some of the employees and managers are going to have to let go of something.

When we think that people seem to "overreact" to a change when they are reacting more than we are, we overlook two things. First, changes cause transitions, which cause losses, and it is the losses, not the changes, that they're reacting to. Second, it's a piece of their world that is being lost, not a piece of ours, and we often react that way ourselves when it's part of own world that is being lost. Being reasonable is much easier if you have little or nothing at stake. "Overreaction" also comes from the experience that people have had with loss in the past. When old losses haven't been adequately dealt with, a sort of transition deficit is created which is a readiness to grieve that needs only a new ending to set it off.

You need to bring losses out into the open, acknowledge them and express your concern for the affected people. Do it simply and directly. Managers are sometimes worried about talking so openly, and some even argue that it will stir up trouble to acknowledge people's feelings. What such an argument misses is that it is not talking about a loss that stirs trouble, but rather pretending that it doesn't exist.

When endings take place, people get angry, sad, frightened, depressed, and confused. These emotional states can be mistaken for bad morale, but they aren't. They are the natural sequence of emotions people go through when they lose something that matters to them. You see the same emotions in families that have lost a member as you see in an organization where an ending has taken place.

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Those emotions may not be evident, especially at first. People may deny that the loss will take place. Denial is a natural first stage in the grieving process, a way in which hurt people protect themselves from the first impact of loss. It is healthy and doesn't demand action on your part if it doesn't last very long. But if your people stay in denial for more than a few days after the handwriting is on the wall, you're going to need to address the issue. You may want to say something like this: "A lot of you are acting as though X isn't for real. Well, it is. Your actions concern me because I want all of us to get through this change with as little distress and disruption as possible. We'll never do that if we pretend it isn't happening."

As for the rest of the emotions grieving people feel, treat them seriously, but don't consider them as something you personally caused. Don't get defensive or argue. If you suppress the feelings and push people to get over them, you'll be handicapped with people who never "mended." In my work I have seen teams, departments, and sometimes entire companies fall apart because they never found a way to grieve over a significant loss. "No pain, no gain," they say. But many change efforts fail because the people affected experience only the pain. The company may gain, but for the employees it seems to be all loss. Trying to talk them out of their feelings will get you nowhere.

The question that you need to ask yourself is: What can I give back to balance what's been taken away? Status, turf, team membership, recognition? If people feel that the change has robbed them of control over their futures, can you find some way to give them back a feeling of control? If their feeling of competence has been taken away because their job disappeared, can you give them new feelings of competence in other functions with timely training?

This principle of compensating for losses is basic to all kinds of change and even the most important or beneficial changes often fail because this principle is overlooked. As the journalist Walter Lippmann said 50 years ago: "Unless the reformer can invent something which substitutes attractive virtues for attractive vices, he will fail." Remember Lippmann's advice when you try to get people to accept programs in quality improvement or customer service, when you try to set up self-managed teams or introduce unfamiliar equipment, or when you flatten the organization or cut overhead.

An important leadership role during times of change is that of putting into words what must be left behind. Talking about making a break with the past can upset its defenders, so some leaders shy away from articulating just what it is time to say good-bye to. By doing this, they are jeopardizing the very change that they believe they are leading.

Managers risk three equally serious and difficult reactions when they do not specify what is over and what isn't:

1. People don't dare stop doing anything. They try to do all the old things and the new things. Soon they burn out with the overload.

2. People make their own decisions about what to discard and what to keep and the result is inconsistency and chaos.

3. People toss out everything that was done in the past, and the baby disappears with the bathwater.

Think through each aspect of the changes you are making, and be specific about what goes and what stays. It takes time to do that, but nudging the damage wrought by any of these three reactions will take much longer. With all of the foregoing emphasis on foreseeing and softening the painful effects of loss on employees, the reader might assume that I am urging that you slowly take things away a piece at a time. That would be a misreading of my advice, for the last thing an organization needs is too small an ending, or an incomplete ending, that requires a whole new round of

losses to finish the job before the wounds from the old ones have healed. Whatever must end, must end. Don't drag it out. Plan it carefully, and once it is done, allow time for healing. The action itself should be sufficiently large to get the job done.

The single biggest reason organizational changes fail is that no one has thought about endings or planned to manage their impact on people. Naturally concerned about the future, planners and implementers all too often forget that people have to let go of the present first. They forget that while the first task of change management is to understand the desired outcome and how to get there, the first task of transition management is to convince people to leave home.

Chapter 4: Leading People Through the Neutral Zone

Just when you decide that the hardest part of managing transition is getting people to let go of the old ways, you enter a state of affairs in which neither the old ways nor the new ways work satisfactorily. People are caught between the demands of conflicting systems and end up immobilized, like Hamlet, trying to decide whether "to be or not to be." All systems seem to break down and everyone enters what a client called a time of "radio silence."

If this phase lasted only a short time, you could just wait for it to pass. But when the change is deep and far-reaching, this time between the old identity and the new can stretch out for months, even years. As Marilyn Ferguson so aptly put it, during this period after you've let go of the old trapeze, you feel as though you have nothing to hold on to while waiting for a new one to appear.

The neutral zone is like the wilderness through which Moses led his people. That took 40 years not because they were lost but because the generation that had known Egypt had to die off before the Israelites could enter the Promised Land. Taken literally, that's a pretty discouraging idea: things won't really change until a whole generation of workers die. On a less literal note, the message of Moses's long journey through the wilderness is both less daunting and more applicable to your situation: the outlook, attitudes, values, self-image, and ways of thinking that were functioning in the past have to "die" before people can be ready for life in the present. Moses took care of transition's ending phase when he led his people out of Egypt, but it was the 40 years in the neutral zone wilderness that got Egypt out of his people. It won't take you 40 years, but you aren't going to be able to do it in a few weeks either.

The neutral zone is not the wasted time or meaningless waiting and confusion that it sometimes seems to be. It is a time when reorientation and redefinition must take place, and people need to understand that. It is the winter during which the spring's new growth is taking shape under the earth.

People need to recognize that it is natural to feel somewhat frightened and confused at such a time. As the old patterns disappear from people's minds and the new ones begin to replace them people can be full of self-doubts and misgivings about their leaders. As their ambivalence increases, so does their longing for answers. That is why people in the neutral zone are so tempted to follow anyone who seems to know where he or she is going, including, unfortunately, troublemakers and people who are heading toward the exits. No wonder the neutral zone is a time when turnover increases. (Moses even had that problem himself, although in his day it was called worshiping strange gods.)

What can you do to give structure and strength during a time when people are likely to feel lost and confused? You can try hard to protect people from further changes while they're trying to regain their balance. You won't always

succeed, of course, because some new government regulation may send everyone back to square one, or some new product introduced by your main competitor may knock your sales lot a loop. Many changes must be headed off or at least delayed. If you cannot do so, you may be able to cluster the new change under a heading that makes it a part of a bigger change that you're going through. People can deal with a lot of change if it is coherent and part of a larger whole. Unrelated and unexpected changes can be the proverbial straw that breaks the camel's back.

Review policies and procedures to see that they are adequate to deal with the confusing fluidity of the neutral zone. The "rules" under which you operate were set up to govern ongoing operations when things weren't changing as much as they are now. Do you need a new policy to cover some aspect of the new situations such as job classifications, priorities, time off, or who can make what kind of decision? Do you need a new procedure for giving people temporary assignments, processing the work or handling overloads, identifying training needs, or scheduling meetings?

Consider a related question: What new roles, reporting relationships, or configurations of the organization chart do you need to develop to get through this time in the wilderness? Moses, with the help of Jethro (the first organizational development consultant in history), reorganized his decision-making process in the neutral zone by regrouping people in new units under new, temporary decision makers or "judges" in the parlance of his day. Hierarchy often breaks down in the neutral zone, and mixed groupings, like task forces and project teams, are often very effective. People may have to be given temporary titles or made "acting" managers.

You would do well to set short-term goals for people to aim toward and to establish checkpoints along the way toward longer-term outcomes that you are seeking. Now is a time when people get discouraged easily. It often seems that nothing important is happening in the neutral zone, so it is crucial to give people a sense of achievement and of movement, even if you have to stretch the point a bit. This helps to counter the feelings of being lost, of meaninglessness, and of self-doubt that are common in the neutral zone.

Don't set people up for failure by promising that you will deliver high levels of output while you are in the neutral zone. Everyone loses when such ambitious targets are missed: you look bad, people's self-confidence falls even further, and your superiors are upset. You may need to educate your superiors to get them to see that success at a lower level, which builds people up, is worth far more in the long run than failure at a higher level which tears them down. Upper-level management hates to look bad, so help them to see the importance of setting realistic output objectives.

In the neutral zone, be wary of any arrangement or activity that shows a preference for one group over others. During this middle phase of transition, people want to feel that, "We are all in this boat together." They will put up with a lot of discomfort if everyone must do so, but if there are people who, because of their position or connections, are getting special treatment, there will be trouble. That trouble can be sparked by perquisites that individuals have always enjoyed. First-class air travel for upper-level managers, special parking spaces for staff members, and an executive dining room can all loom large as resentment by building symbols of privilege. This sends the unwitting message that some people have it easy during a difficult time when the rank and file is suffering.

While it is essential to build into the neutral zone temporary systems for getting people through the wilderness intact, you need to do more. Capitalize on the break in normal routines that the neutral zone provides to do things differently and better. In the neutral zone the restraints on innovation are weakened. With everything up in the air anyway, people are more willing than usual to try new things.

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To equip your people to take advantage of the opportunity for innovation that exists in the neutral zone, you need to foster a spirit of entrepreneurship among them. That spirit is totally alien to the "do what you're told" mood that characterizes many organizations, but an entrepreneurial outlook is the surest antidote to becoming frightened by change. It is entrepreneurial opportunism that spells the difference between success and failure in using neutral zone creatively, and this opportunism depends on a willingness to take risks. That willingness, in turn, is not likely to develop without an organizational tolerance for intelligently conceived ventures that fail. In an organization that punishes failure, regardless of the value of the effort that failed, you aren't going to get this kind of effort. Be particularly careful that valuable concepts like "excellence" or "zero defects" don't get used as excuses to punish intelligent failures.

There is hardly a work project or procedure going on today in an American organization that couldn't be improved. In some sectors of the economy, the working principle is all old fashioned bucket brigades and no hoses. Yet most efforts at getting "lean and mean" amount to little more than sending half the bucket brigade home and telling the rest of the bucket-handlers to work harder. A better answer is to use the time in the neutral zone creatively as an opportunity to redesign how you do what you do. If you do that, you will emerge from the wilderness both stronger and better adapted to your new environment. Neutral zone creativity is the key to turning transition from a time of breakdown into a time of breakthrough.

Chapter 5: Launching a New Beginning

Beginnings are psychological phenomena. They are marked by a release of new energy in a new direction. They are the expression of a new identity. They are much more than the practical and situational "new circumstances" that we might call starts.

Beginnings are strange things. People want them to happen but fear them at the same time. After long and seemingly pointless wanderings through the neutral zone, most people are greatly relieved to arrive at whatever Promised Land they've been moving toward. Yet beginnings are also scary, for they require a new commitment. They require, in some sense, that people become the new kind of person that the new situation demands. There are a number of reasons people resist new beginnings, even though they may be attracted by the idea of making them.

Like any organic process, beginnings cannot be made to happen by a word or act. They happen when the timing of the transition process allows them to happen, just as flowers and fruit appear on a schedule that is natural and not subject to anyone's will. That is why it is so important to understand the transition process and where people are in it.

Only when you get into people's shoes and feel what they are feeling can you help them to manage their transition. More beginnings abort because they were not preceded by well-managed endings and neutral zones than for any other reason. If beginnings cannot be forced according to your personal wishes, they can be encouraged, supported, and reinforced. You can't turn a key or flip a switch, but you can cultivate the ground and provide the nourishment. What you can do falls under four headings:

1. You can explain the basic purpose behind the outcome you seek. People have to understand the logic of it before they will turn their minds to work on it.

2. You can paint a picture of how the outcome will look and feel. People need to experience it imaginatively before they can give their hearts to it.

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3. You can lay out a step-by-step plan for phasing in the outcome. People need a clear idea of how they can get where they need to go.
4. Show people how their individual efforts affect the outcome. People need to know they are important and that what they do matters.

To make a new beginning, people need the Four P's: the purpose, a picture, the plan, and a part to play. For any particular individual, one or sometimes two of these P's will predominate. Your own path into the future probably emphasizes one of these Four P's and minimizes or even omits others. As a result, you will tend to stress your own preference(s) when you communicate with others. You may naturally assume that others approach beginnings the way you do, but that isn't necessarily so. People are really different. They aren't just "defective" versions of yourself. So it is important to remember to cover all four of these bases (purpose, picture, plan, and part) when you talk about the new beginning you're trying to help people make.

All of these tactics help people to leave the disturbing and creative chaos of the neutral zone and refocus their energies in new directions. They help people to shape new identities to replace the ones they gave up when they let go of how things used to be. But that refocusing needs to be reinforced if it is to keep its new shape and not revert to chaos when the initial focus is impacted by the continuing stream of changes that will surely come along. Here are some basic rules for reinforcing a new focus:

Rule 1: Be Consistent. The first form of reinforcement is consistency of message. Every policy, procedure, and list of priorities sends a message, but if you aren't careful, your messages will be conflicting ones.

Rule 2: Ensure Quick Successes. The neutral zone takes a heavy toll on most people's self-confidence because it is a period of lowered productivity and diminished feelings of competence. It may also, if it resonates with past difficulties in a person's life, activate serious problems of low self-esteem. For that reason people are likely to need some fairly quick successes if they are to return to their former effectiveness. These successes can come from small tasks, which can be accomplished even in spite of the damaged self-confidence of transition survivors. They can come from sure wins—situations with little risk of failure. They can even come from ongoing efforts where success was pretty well in the bag before people took them over.

Rule 3: Symbolize the New Identity. People are not merely logical beings; they are full of feelings too. They are not just literal-minded; they also react symbolically to events. That is why apparently small things can take on enormous importance as individuals and their organization struggle to make new beginnings work. During highly charged times of transition, everything takes on a symbolic hue. That can trip you up because you don't intend to mean something with everything you do. At the same time, you can use it to your advantage by viewing everything systematically and looking for opportunities to symbolize the new beginning you are trying to make.

Rule 4: Celebrate the Success. Finally, take time to celebrate arriving in the Promised Land. Just as you marked the ending at the start of the transition, you need to mark the beginning at the finish of the transition. The timing may seem a little arbitrary because there are always loose ends to be tied up. But when you feel that the majority of your people are emerging from the wilderness and that a new purpose, a new system, and a new sense of identity have been established, you'll do well to take time to celebrate that the transition is over. It may be something as small as a get-together on Friday afternoon or something as big as a victory trip with spouses to Acapulco. In either case, it should be fun and a break from the routine.

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Behind all of these tactics is the basic idea with which we began, an idea that is more important than any of the tactics themselves: things start when the plan says they will, but the new beginning takes place much more slowly. If transition is mishandled or if it is overlooked completely, beginnings often fail to take place. In such cases, we say that "the change didn't work," or that it "fell short of our expectations." What we ought to say is that we got the people out of Egypt but they're still wandering somewhere in the wilderness.

Chapter 6: Transition, Development, and Renewal

Shakespeare wrote about the "Seven Ages of Man." Here are seven comparable stages of organizational life.

1. *Dreaming the Dream.* The first stage is the time of imagining and planning, when the organization is little more than an idea in the mind of the founders. This is the time when the main activities are articulating the Dream and trying to get people to join in bringing it into physical existence and to contribute money to the task of realizing it. A lot of time is spent sitting around people's offices and living rooms, brainstorming and arguing. There may or may not be a demonstrable "product" yet, for the organization itself is "in utero." The Dream lasts until it is given up, or until it is born as a Venture.

2. *Launching the Venture.* This time is the organization's infancy and childhood. Birth has taken place, the Venture is "out there," and people may even be starting to buy the products. If they are, the Venture will be growing very rapidly. Some ventures end up serving large numbers of customers even before they move on to their next phase. They may be raking in money. What makes them "ventures" is not that they are not yet successful, but that they are doing whatever they are doing by the seat of their pants at this stage. There are no formal systems yet: no hiring policies or pay scales, no fixed way of doing things. The organization may actually be little more than a bunch of people sharing a letterhead and a checking account.

3. *Getting Organized.* To some people this stage feels like a step backward, since many of the ways to bring order to a chaotic situation force you to slow down and do things in some standardized way. For people who've been toting around a pocketful of the business cards that people give them on sales calls, working out a reliable way to get the names into a contact management program and learning to use the program to follow up regularly on sales contacts may feel like the first step toward bureaucracy. But the company has come to the point where the natural energy of the founders is no longer enough to ensure continued good results. The frantic efforts of a handful of people need to be replaced by a more predictable set of activities by a growing number of people.

4. *Making It.* This is the point when the organization's "adulthood" begins. From this point on, the organization has what it needs to be a significant factor in its market. An organization that is successfully making it can expand and grow more complex for a very long time without ever leaving this stage. But this is the point at which it begins to reap the rewards of its successful early development in the form of financial success, work force growth, an expanding product line, and an increasing reputation for whatever it does. It may face serious (even daunting) competition, but it is now established in its market. It has a solid foothold and the basis for continuing expansion. There can be many subchapters to this time in the organization's life as growth leads to problems, which necessitate changes, which lead to further growth. But through it all, the organization's fundamental nature continues.

5. *Becoming an Institution.* This shift is subtle but profound: the emphasis moves from doing to being, from the results that the organization achieves to the external impression that it makes. The organizational imperative shifts from

that of taking and staking out territory to occupying it. People talk more and more about how things ought to be done in "an organization like this" and about what is appropriate to an organization that occupies a place like this one. The shift may be so subtle as to pass almost unnoticed, but new hires start being chosen less for their talent and motivation and more for how they will fit in with "us." Reputation is something that the organization has as it is no longer being earned. People forget that, until very recently, they were struggling to establish themselves.

6. *Closing In.* This phase often grows almost imperceptibly out of the self-satisfaction that so often marks institutional life. In an earlier time, when external competition was not as sharp in some fields as it is today (banking, for instance), this inward turning could produce a rather attractive "aristocratic" stylization of effort. The professional cultures of some fields (medicine and education are examples) serve as built-in justifications for Closing In when the organization gets to this point in its life cycle. If the organization is a governmental body that doesn't need to achieve success in the marketplace, the result is likely to be an increasingly unresponsive bureaucracy. If its market is competitive, however, the result is difficult to sustain. Employees forget the customers and focus on internal matters in a way that can seem almost perverse; they argue about rules and status while the whole operation is slowly collapsing. Whatever the external situation is and however quickly the organization is undermined, the Closing In phase marks the loss of the vital tension between the organization and its environment. Although it can be kept alive for some time by a "life-support system" of extraordinary assets or a monopolistic position, the natural and final outcome of closing in is—

7. *Dying*. Unlike individuals, for whom dying is an event that can be dated, organizations tend to come to an end that makes the fact of death less obvious. They get acquired, pieces of them are split off and sold, and it becomes harder and harder to say just when "the organization" ceased to exist. At this stage, organizations may go into Chapter 11 bankruptcy and then re-emerge to function in a brief burst of energy, like a dying star, before darkness overtakes them. Even if they operate for a time, with skeleton staffs in little offices over a warehouse somewhere at the edge of the city, they eventually come to the point where the activities and the identity that once were that organization no longer exist. They have reached the end of the life cycle.

Failing to understand the developmental course of organizational life not only confuses issues like the mature organization's resistance to innovation, but mistakenly suggests that these issues are simply "problems" to be fixed rather than the normal behavior of a stage in the life of the organization. What such an organization needs is not fixing but renewal. Renewal comes about not by changing specific practices or cultural values but by taking the organization back to the start of its life cycle. Renewal, the recovery of the youthful vigor that the organization had earlier in its life cycle, is in fact wired right into the organizational life cycle. What you have to do is choose, not Closing In, but the Path of Renewal.

To be sure, saying that you have to choose the right path makes it far simpler than the process of organizational renewal actually is. The whole organizational "immune system" is set up to reject the results of making such a choice. Leaders who would go down this path must have a clear understanding of what they are doing and the resources to carry it off. But organizations as different as General Electric, the US. Army and IBM show that it can be done, and that "old" organizations can in fact be rejuvenated. Renewal always involves finding ways to recapture and reincorporate the energy of the first three phases of the organizational life cycle.

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1. *Redream the Dream*. Renewal must begin with re-dreaming the dream on which the organization is based. The new dream might be the idea of becoming a service business (IBM) or reinventing the idea of leadership (the US Army). It might involve getting into entirely new business areas or simply redefining the organization's approach to existing ones. But in some significant way, organizational renewal always involves getting a new central idea around which to build the organization's activities and structures.

2. *Recapturing the Venture*. Next, the organization must recapture the Venture Spirit. That style was natural to the young and just-launched organization, but now it is locked away in the past. This can be done with the help of new roles and structures (which properly belong to the third step of renewal), but the Venture Spirit is also more likely to be revived when a new cultural emphasis and style of leadership are encouraged. This usually requires the help of a new leadership development initiative. Anyone who would lead a renewal effort needs to behave like the founder of a new Venture by breaking down the walls between different functions, encouraging a looser and faster-moving decision making process, and creating much closer linkages to customers.

3. *Getting Reorganized*. Renewal must also revisit the getting organized stage by remodeling the policies, roles, and structures of the organization to more nearly approximate those of a young organization. This time you are approaching getting organized from the other side which means recovering the elements of successful organization rather than developing them from scratch. Sometimes this requires that you break up large units into smaller ones and treat the small units as little start-ups-within-the-company. You may need to reinvent the compensation system so that more of people's pay is tied directly to the results they achieve. You will probably need to move to a new and less qualification-bound kind of hiring, sacrificing certifications and formal experience for clear evidence that a job candidate can do the work that the organization currently needs to be done.

Renewal puts any organization into a far-reaching state of transition. People who have grown used to the practices and culture of an institution will have to let go of expectations and assumptions that have been rewarded for some time. The former expectations and assumptions were natural to that phase and instrumental in getting the results that phase was designed to generate. These people should not be seen as flakes and slackers. Until things took an unexpected turn, they were the organization's brightest and best.

That is why transition is so difficult, and why it represents a crisis in an organization's life. It is a sudden and complete reversal in the trajectory that the organization has been following ever since its founding. That reversal is necessary if the organization is to turn away from the path into terminal decline, but that does not make the necessary endings any easier for most people. It is important for leaders to comprehend the implications of what they are trying to achieve, and not to let their understanding that renewal is essential, blind them to the painful transitions that will be necessary to make things turn out as intended.

PART THREE: DEALING WITH NONSTOP CHANGE IN THE ORGANIZATION AND YOUR LIFE

Chapter 7: How to Deal with Nonstop Change

It has become a truism that the only constant today is change. (Ironically, the Greek philosopher Heraclitus said the very same thing 2,500 years ago!) Yet we all feel that change is different today: it's continuous, wall-to-wall,

and nonstop. A department is reorganized, and that's hardly finished when a new director arrives and decides to reorganize it again. Similarly, just as everyone is recovering from the introduction of new database software, they announce that the whole distribution process is being outsourced. We talk not of a single change but of change as an ongoing phenomenon. It is a collage, not a simple image: one change overlaps with another, and it's all change as far as the eye can see.

Nonstop change is simply a lot of different changes that overlap each other as well as an increase in the rate of overlapping change. Every new level of change is termed "nonstop" by people who are having trouble with transition. At the same time, every previous level of change comes to be called "stability." Seen in this light, what people today call "nonstop change" is simply a new level of what has always existed. It isn't pure chaos, rather just a new experience. When people adjust to it, they will look back upon it as "the stability that we used to enjoy."

Stability through change demands clarity about who you are and what you are trying to do. That is the starting point, because there must be something to adjust before there can be an adjustment. Times of continuous change, like our world today, put a premium on knowing clearly what you are trying to accomplish. Whether it be a small team of hourly workers or a multinational corporation, you must ask yourself, "What is the purpose of the unit that I manage?"

The answer to this question does not lie in high-sounding words like those company philosophies you see over people's desks. The answer lies in whether people have a clear sense of how their activities contribute to the larger whole. An organization's purpose is seldom tricky: Toyota's purpose is to build cars and related vehicles; Harvard University's purpose is to educate people and push back the boundaries of knowledge; your community hospital's purpose is to provide medical care and treatment that cannot be given at home or in a doctor's office. Every component part of any large organization has its own purpose that in some way makes the overall purpose possible. (If it doesn't, that part has come unplugged from the whole and its existence is no longer justified.)

Far too many organizational purpose statements are really descriptions of the organization's objectives: to increase shareholder value, to give customers their money's worth, or to be a good place to work. These are very important goals to work toward, but they aren't the strategic threads that everyday changes are meant to preserve. It is the purpose, not the objectives, that is the heartbeat of the organization.

The trouble is that people come to identify with the objectives rather than the purpose. They do so because it is easier to relate their own efforts and their own self-image to the objective, which is more tangible and closer at hand, than to the purpose. Thus, you must work constantly to get people to identify with the organization's purpose.

Managers sometimes find themselves fighting old battles when transition starts. These battles may even precede the manager's own tenure: the layoff back in '73 that was handled so badly; the promise about seniority rights that wasn't kept when the contract was renegotiated; the repeated statements three years ago that the plant wouldn't be closed (but it was).

At times like this you feel like yelling, "You're not going to bring that up again, are you?" or, "You're not blaming me for that, are you?" The answer, of course, is "Yes." Transition is like a low-pressure area on the organizational weather map. It attracts all the storms and conflicts in the area, past as well as present. This is because transition "decompresses" an organization. Many of the barriers that held things in check come down. Old grievances resurface. Old scars start to ache. Old skeletons come tumbling out of closets.

Managing Transitions

In the short run, this can complicate an already complicated situation. But in the longer run it can have a positive impact. Every transition is an opportunity to heal the old wounds that have been undermining effectiveness and productivity. If leaders have lied in the past, this is the time to tell the truth and build credibility on the basis of honesty. If people have been terminated callously in the past, this is the time to terminate people with dignity and fairness and start building the values of concern and respect for employees in general. If employee concerns have been disregarded in the past, this is a time to begin listening. It is never too late to become an organization that manages its people well. For that reason, the old scar and the unresolved issue are great gifts. They represent opportunities for organizational enhancement.

Boats are termed "seaworthy" if their construction keeps them afloat even under challenging conditions or "unseaworthy" if their construction doesn't do so. By analogy, organizations can be said to be transition-worthy, or un-transition-worthy. Their policies, structure, roles, resources, culture, histories, and leadership are either helping or hindering their ability to manage transition.

Stated so generally, that sounds a little esoteric. But if you ask people who work for your organization which conditions and arrangements within the organization are helping and which are hindering their ability to let go of the old, live with a confusing time in the neutral zone, and make a solid new beginning, they can tell you. Listen to them. Do whatever you can to make the organization more transition-worthy. It'll pay off, because one thing about nonstop change is…it doesn't stop. It is a problem that won't go away.

PART FOUR: THE CONCLUSION

Chapter 8: Practice Case

Summarizer's note: Like chapter 2, this chapter contains a brief example, and then an in-depth questionnaire which means it can't be summarized.

Chapter 9: Conclusion

We are still caught in the mid-twentieth-century mindset, which conceived of the main organizational problem as the lack of change. That outlook led to the idea of the "change agent," a person who knew how to enter an organization, often from outside, and change things. But as we enter the twenty-first century, we're increasingly faced with the fact that the current problem is change itself. It's the problem of "survivors" of yesterday's change projects, and everyone is a survivor.

This is why transition management is such a critical skill for you to develop. You're going to find yourself dealing with the aftermath of mismanaged or unmanaged transition every time you turn around. That aftermath is a manager's nightmare.

To remind myself of its characteristics, I use the acronym GRASS: Guilt, Resentment, Anxiety, Self-absorption, and Stress. These are the five real and measurable costs of not managing transition effectively. Remember them the next time people tell you there isn't time to worry about the reactions of your employees to the latest plan for change. Help such people to see that not managing transition is really a short-cut that costs much more than it saves. It leaves behind an

exhausted and demoralized workforce at the very time when everyone agrees that the only way to be successful is to get more effort and more creativity out of the organization's employees.

The other thing to remember and help others to understand is that there are well-tested, effective ways to avoid these difficulties. Many organizations follow the path toward their own collapse simply because they do not know that there is another way. This is all the more important today, because if we know anything about the future, it is that it will be different from the present. Whatever currently exists is going to change. What it will look like is something that the futurists can debate. The only certainty is that between here and there will be a lot of change. Where there's change, there's transition. That's the utterly predictable equation: change + human beings = transition. There's no way to avoid it, but you can manage it. In fact, if you want to come through in one piece, you must manage it.