

## **Steps in the Transition Process**

### *Endings, Beginnings and the Muck in the Middle*

Change impacts a variety of dynamics in your business and with people. How ready is your organization's infrastructure to support the up-coming change? For example, new technology requires technical training, which may require a workforce with a different skill-set. Re-organization requires a new management style and redefined roles.

This paper was originally written for an organization about to undergo reorganizing and possible outsourcing of several support functions, while changing two major software systems. It was used as an outline of the steps required for successfully managing these transitions and others under consideration. It has been modified to use as a checklist for many types of organizational change. It is not intended as, and does not provide legal advice.

1. Model and Phases
2. Training
3. Transition Team Tasks
4. Communication Strategy
5. Retention Planning
6. Severance Planning
7. The Morning After

### **1. MODEL and PHASES**

There are many models or structures for planning change. Project management models focus on the tasks to be completed, but often overlook the human side of what is happening. The most well thought out project can be derailed if the people it impacts are not included in the early planning stages, or have faulty assumptions made about them. Generally the benefits of the change focus on customers and shareholder return. But the people who are to carry out or implement the change are also stakeholders. Effective change management includes building a profile of the people impacted by the change. There are two major questions to ask:

1. *What's in it for them?* "Upgrading our software will make things go much smoother." "Our new building will be much brighter and more convenient for our customers." "Our new CEO will bring new ideas and help us grow."
2. *What will be the downside of the change for them?* "Why wouldn't our staff be happy about upgrading our primary software application?" "What changes will they have to make to accommodate the difference?" "How will hours or commute to the new location effect our staff?"

Managing change is a combination of planning and selling both the need for the change, the benefits of the change, as well as how we will address the known downsides and inconveniences or unknowns during the process of change.

It's the unplanned change that can throw us for a loop - a sudden change in leadership, power outages, re-organization - anything that disrupts our normal business routines. The point is to help people deal with the change with as much advance notice as possible and also to have a contingency plan. There will always be those who claim they didn't have enough time to get ready

(Is 3 months enough time for parents to adjust to new school start times?) The other side of the argument is if we tell them too early, they panic or procrastinate and are less productive.

Effective change management is based in trust and respect for all parties involved. In many organizations, there is an 'us versus them' dynamic between management and staff. This sets up an expectation that the change will be detrimental to the staff. Be honest with what you know as well as what you don't know. Tell them what they can have or do, not just what they cannot. Be respectful that they are intelligent people with their self-interests, business relationships and professionalism at stake.

### The Model

Many times we see change as something that we lose or something that we gain. It is more than just the end of one thing and the beginning of something new. William Bridges, PhD<sup>1</sup> provides our foundation model for effective change management in three pieces: The Ending of the way things have been, the Transition, and the Beginning of the new reality.

### The END Phase

Careful thought can create a caring and sensitive environment for tough decisions. The following elements can begin to build a bridge from the old to the new:

- Clarify what is over, and what continues as now. Be sure to communicate what stays the same as well as what is changing.
- Plan for what will come to an end and how it will happen. For example. If new computer systems are being installed, explain how and when data will be merged to the new system. Tell them what happens to the 'old' data. Which skills or processes will they no longer need?
- Consider who will lose or gain something both tangible and intangible. The types of things that might be gained or lost could include:
  - Turf* - physical space, expertise-based responsibility, organizational power
  - Attachment* - peer relationships, mentor relationships, trusted staff, group membership
  - Structure* - time schedules, routine responsibilities, familiar procedures /priorities
  - Future* - dreams about, expectations of, plans for personal / professional life
  - Meaning* - how things make sense, reasons or purpose of things
  - Control* - over their own situations, assumed control over others or information
- Plan for retention, and, if necessary plan for severance, out-placement as well as in-placement and how to communicate this with people. They want, and deserve, lots of information to address their need for security and a sense of justice or equity.
- Time frames are important to set expectations and to reduce denial. Many change initiatives have derailed because time frames kept slipping.
- Coach managers on how to manage people through this period and deal with anxiety, fear, anger, denial, resistance or even euphoria that will impact productivity. The challenging role of the manager is help their staff let go at their own pace, yet not lag too far behind in getting on board.
- Create events and meetings to bring closure and boundaries. Some events already exist in the project task plan (i.e., closing dates). Publicly and appropriately acknowledge these events. One company piled up all the old system manuals and lit a bonfire.
- Attend to the symbolic and pay attention to the little things that we ask of people or do differently that undermine their security (or, in some cases create a misplaced sense of dependency). For example, if an administrative person no longer needs to schedule meetings because individuals can do their own scheduling, what other responsibilities might he/she lose? What responsibilities might be gained?
- Show how endings will serve to strengthen what continues or is created.
- Heal old wounds – take the initiative to ask for forgiveness about past mistakes and share what was learned to prevent their recurrence.
- Stay visible and approachable.

---

<sup>1</sup> Transitions, Making Sense of Life's Changes, by William Bridges, Perseus Books Publishing LLC, 1980

### The TRANSITION phase

This period provides opportunity for Staff and Managers to set up the new organization; recognizing their special value to the organization.

- Ensure your customers are drivers of the change based on how this helps them meet their objectives and thus grow your business.
- Establish, maintain or improve service levels.
- Avoid the “us” versus “them” distinctions – with internal customers and stakeholder departments, as well as among the “Survivors” and the “Victims.”
- Specifics of what and how things will come to an end and we will migrate to the new way of doing things.

During re-organizations, mergers and other job-loss changes, people see themselves in several categories during these times: either as a “Survivor” – lucky to be keeping their job, or as a “Victim” – losing their job. Some also use the term “Keepers” as the people that we need to ensure they stay with us through the transition and beyond. Yet another category is the people we need through the transition, but not beyond a certain date because their jobs would be eliminated. They are in “Limbo” – those jobs that go away later. While most attention initially goes toward taking care of the Victims, we need to consider options for all groups.

- Continue to address their needs for security and fairness, by communicating work expectations and standards. Make resources available and encourage healthy self-management. It is important to stay in touch with what people are feeling and demonstrate concern for individuals’ well-being. Especially for those losing jobs and their friends, it is appropriate to allow for grieving to help them come to terms with what is happening.
- Initiate training for the skills critical for the new work environment.
- Provide in-placement or career management skills for within the organization, as well as the outplacement services. This will support the need to know that they are valued and have a place in the new organization.
- Identify small wins and celebrate them to demonstrate progress.
- Identify and reconfigure turf, control, responsibilities, etc.
- Shift the mindset from support (reactive) to a proactive business focus based on the business strategies
- Encourage qualities of treating people properly, being good problem-solvers (fixes that stay fixed), innovation, risk-taking and collaborative leadership.
- Determine and include written transition clauses in any contracts to avoid losing relationships or key staff.
- Determine and clarify how soon-to-be leaving staff working on-site will be treated (include in social events, any benefits/perks, birthday celebrations, staff meetings, etc.).
- Be sure to plan some fun as well as just do something spontaneously to let off tension.
- Build the sense of belonging to counter jealousy, mistrust and isolation.
- Keep reminding people of the future state (remember Moses and the Promised Land?)

### The BEGINNING Phase

Although there is a design for the “new way” it won’t actually take root in people’s attitudes or behavior until the old ways have been extinguished and people have spent some time sorting through the muck in the middle. Some things that help people move into a new beginning are:

- Have a clear picture of the organization future – the new identity and mission, understand the basic idea behind the new concept and a step-by-step plan for getting there.
- Identify the support structures for finding a new place and fit in the organization. This should also include any benchmarks, performance standards, service level agreements and expectations.

- For new jobs, or re-defined jobs, outline the selection process. Identify the levels of authority and accountability. Determine reporting relationships and type of team environment. Specify which jobs will be open and communicate they will be filled via a fair selection process. Generally this includes the following:
  - o Job descriptions need to be written and posted for all to see.
  - o Describe the Selection Process – provide a brief outline of the steps in writing and talk through the process with examples. Be prepared to answer questions.
  - o Remember to encourage people to apply for the new positions. Some people will assume if they are not encouraged, they are not wanted.
  - o Give tips on how to apply and interview (what type of information is wanted on the resume? What type of interview(s) will be conducted?)
  - o Brief Interviewers / Decision-makers – agree on the competencies, qualities and qualifications for the job, review performance history, prepare questions, agree on the decision-making criteria and process before beginning the interviews.
  - o Announce filled positions first to the individual selected, then to the non-selected. Talk about their options now. Finally make the announcement to all others. This should happen very quickly.
- Highlight small wins or short-range check-points to demonstrate progress and success toward the goal (this reinforces the value of establishing metrics).

## 2. TRAINING

Whenever we sense a change in our comfort zone of work, we want to know what resources will enable us to quickly regain a sense of comfort in our work competencies. During organizational changes, or software changes, the second question asked is, “what training can I get to learn to do the new job?”

A consistent challenge is to involve the training designers early enough to gather information they need to be able to develop effective training. To credibly answer questions, training designers need to understand why processes have been changed, the thinking behind the decisions, and if there is any opportunity for revisions to the “new way.”

Three levels of training are needed – for the individual staff member, for the team leads and for management.

### Functional training

Individuals need the work skills and new process information, as well as team membership reinforcement. Their functional or technical skills training should be designed with the specific people in mind (their experience and knowledge). The focus is the tasks, processes, specific knowledge and skills to successfully do the job based on the performance standards. Materials to reinforce new processes and procedures must be developed. These should include ‘real’ examples from their work as well as ‘real’ exercises to practice. Whatever does not have to be memorized should be made available in a quick tip sheet.

### Team skills

Often these organizational changes create new groups and reporting relationships. Depending on individual experience and the organization’s culture this training may include mission and role clarification, team building activities, understanding our different working styles and relationships, problem-solving, conflict resolution, and team member/leader responsibilities. Training designers and facilitators need to create bridging exercises to show what remains from the ‘old way’ and what is good about the ‘new way’ of working in teams. This is a great opportunity to build team identity and affiliations.

### Leadership skills

Depending on the mission and vision of the change, new leadership skills often need to be nurtured. Some culture changes mean have resources to support team leadership, collaborative leadership styles, conflict resolution, managing people working off-site, or managing to a contract.

## **3. TRANSITION TEAM – why we need one, who should be on it and its mission**

This team is critical for effective planning – to identify the best actions that will achieve the objectives, support effective communication modes and methods, to oversee and monitor dynamics of the change, and to retain relationships necessary for the implementation. The team continues throughout the implementation phase serving as a reality check and resource group for troubleshooting.

Team members should include influential people of all levels from impacted areas, as well as key people to retain. It is important to have a cross-section of levels, not just managers, involved in this process to ensure success. The perspectives from this group provide insights, ideas and feedback for strategies and troubleshooting.

Team tasks:

1. Draft transition policies, sometimes called the “winter rules.” Determine what policies will be waived during the transition period to avoid unnecessary barriers. Occasionally new temporary policies must be put in place.
2. Develop a clear-cut timetable for the transition so people know what to expect.
3. Conduct due diligence to identify cross-organizational best practices.
4. Publicize the joint organizational mission, values and operating principles.
5. Use employee assessment techniques to support the workforce.
6. Anticipate and plan for training needs.
7. Disseminate new information – directories, newsletters, operational procedures.
8. Prepare a “new” organization orientation, recognizing heritage and history of each function from which people came.
9. Design a performance management system based on critical success goals.
10. Create a recognition and reward system with the goal of directing behaviors and desired results.
11. Implement feedback mechanisms to monitor progress toward specific objectives in both the transition period and in the new organization.
12. Protect people from further changes that can wait; clustering additional changes as necessary so things aren’t continually stopping and starting.

## **4. COMMUNICATION STRATEGY**

While the details of the change initiative are evolving, a parallel communication strategy is developed by the Transition team. If not, the rumor mill will take over exacerbating fear and distrust. Most change leaders know that withholding change initiatives until the whole strategy is decided is the worst strategy. They risk losing their key talent if word ‘leaks out’ that positions may be eliminated. Often with the best of intentions, to “protect” employees, withholding pending decisions boomerangs and sends a patronizing message that employees can’t handle change. This is a crucial time to be involving employees in making the change decision to leverage their knowledge, uncover potential pitfalls and develop their commitment to the future state.

### Who, What, When, Where, How

The communication strategy identifies stakeholder groups and the way they will be impacted by the change. Identifying the influencers in each of these groups and bringing them into the planning processes can be a huge step forward to getting fence-sitters or nay-sayers on board. Remember to include external influencers, such as vendors, customers, stock analysts, media, and others as needed.

Look at the overall change initiative and the phases of the projects to identify what information needs to be communicated. Key messages about the future state and business drivers for the change and benefits emerge early and need to be repeated often. People want to know what is happening overall and in detail about things that will effect them personally. Messages need to be directed at both the group and the individual level. Individuals are concerned about “what happens to me?” They deserve direct and honest answers

Think about the best way for people to hear or learn about the changes and updates. Consider the impact of the messages and the people learning of them. The most efficient means may not be the best way. This is a time for courage, not to hide behind technology. And people absorb information in a variety of ways, often not the first or even second time. This is a time for both technology and “high touch.” Consider how the messages are delivered, the Communication vehicles – when to use print, electronic and face-to-face. The Communication Strategy should outline timed electronic and print releases, e-mails to employees, town hall or all hands meetings, round-table conversations with key execs, hot-line for questions, key people to contact with questions and to manage expectations.

Timing is everything. Thinking through who hears it before someone else hears it can allay a lot of yelling and ‘mea culpas.’ This is not just about soothing egos, but shows respect. If one of the messages is about job elimination, the people holding those jobs need to hear about it before all others. Consider carefully the organization’s culture in determining if a top-down strategy is best. When questions get raised (and they may sound like accusations) manage the expectation for an answer if one is not readily known. Astute listening skills are critical for fielding questions at this time. A quick answer may not be the best one. Listen for the real concern behind the question.

Identify Target Audiences – Who this will effect and how? Think about the people whose jobs will go away, or change substantially. Remember those who’s jobs are not at risk, yet who interact with these groups. How will their tasks and relationships change? This is an opportunity to get others involved in making the change success. They can help identify the many points of contact and collaboration.

### Delivery

The communicator should be someone with credibility and trust of the audience. It does not always need to be the same person. It needs to be as “personal” as possible. Group Meetings custom tailored to the specific groups are good. Address the Individual concerns. The people hardest impacted should hear about the changes first. People whose job is going away should not be expected to return to their work, but go immediately into an outplacement briefing. Trained, third-party professionals can deal with the initial reactions and outline the support available.

### Manager Coaching (Training)

Managers need to know how they can effectively handle the myriad of reactions, including their own. They also need to know how to avoid the damage they can inadvertently create. If managers are delivering termination messages there are some do's and don't for doing this legally and compassionately.

### Follow-Up Communication

Following the initial announcement maintain the commitment to open communication. This means allotting time for individual conversations more so than ever. Avoid bargaining or re-negotiating with individuals (except for those items identified as being negotiable),

It is impossible to over communicate. It is not enough to merely 'tell' or push the message. Effective communications includes listening and dialogue. This can be uncomfortable for many managers/executives. Lack of content, especially in early stages is a real issue. They don't like to say, "I don't know" when it is imperative that they do so. Give them as much information as you can, then stop talking. This is often an opportunity to ask for ideas and input.

## **5. RETENTION PLANNING when positions are at risk - Keeping the Business Running**

During the transition phase there is a huge, often ignored dynamic of keeping the business running while we plan for the upcoming change. Many people want to be included and are needed in the planning. Yet not all can be involved at the same level. Many need to concentrate on maintaining day-to-day business. Most are concerned about their job security. It is not unusual for highly skilled and marketable people to leave during this time.

Here are four scenarios to consider:

- (1) Positions which will terminate in the near term due to elimination of those tasks from the business process
- (2) Positions which will terminate several months from now due to elimination, automation, etc.
- (3) Positions, roles and responsibilities which will change and we need to retain key people long term for their skills, customer and organizational knowledge and relationships.
- (4) Positions which may potentially be absorbed by outsourcing to a contractor.

In each scenario the goal is to help the individuals get the current work done while managing their concerns about their future. There are several retention elements to develop to retain key talent and achieve our business objectives.

### Beyond Money

Retention studies repeatedly show that if a person is happy with their work, the environment and the people they work with, money is not always an effective lure to change jobs. If they are unhappy, money will not necessarily make them stay.

### The Conversation

Our goal is to encourage the person to stay and continue to be a valuable contributor to the organization. To avoid favoritism and its consequences the focus is first on the job and role, not the person. Fully develop the job description including the roles, responsibilities and qualifications needed both short and long term. Provide examples of how this person has been successful in these ways.

Describe how the person fits into the organization in the short-term (next few months) as well as the long-term (2-3 years). Establish the rationale for why you need them, such as to ensure knowledge transfer, to run the business and continue to get the work done and to lead others.

### Recognition for perseverance

Acknowledge and show appreciation for their patience during this research and decision period; for the heroic efforts of some, and their participation in the process. This should be expressed genuinely both in public and in private. It may be a tangible gift or cash.

### Stay period

This is the length of time we need the individual to stay. For some it is an end of employment date, but not for others.

### \$\$\$ Shows you mean it; but only if it's a meaningful amount

This is not the time to consider past performance, but the performance level needed during the transition period. (Just showing up each day isn't enough). This is the amount of money to be awarded for staying through the transition period. It should be enough to counter potential sign-on bonuses for those actively looking for new jobs. Some organizations offer a percentage of current salary. Calculate the amount of this income likely to be withheld for state and federal taxes. Often the amount is 'grossed up' to be an even amount.

### Payment Timing

Determine and make clear when retention monies will be paid. A lump sum at the end of the transition period is intended to encourage the person to stay on board. Phased payments either quarterly over 6 and 12 months may be effective for longer transition periods. A third option is to offer half the total amount now to show appreciation and half at the end of the stay period. Individual relationships may drive these decisions, but everyone who is receiving retention monies should receive them in the same way. Memos of understanding signed by both employer and employee help clarify and reduce misunderstandings. Be sure these are reviewed by legal counsel.

### Goals

Mutually set both short and long-term goals with the individual which support the business objectives and also the person's next career goals. This should include a discussion of performance expectations along with the support and compassion for beginning a new job search if needed. Be clear that the current job performance is a criterion to receive the retention bonus payment.

### Training

- (1) Determine what skills training is needed for the person to be effective in their current work and provide that training.
- (2) Ensure training is available and the person can schedule training during this time.
- (3) Provide special supervisory skills for managing people and work during this transition and the new work environment.

### Career Paths and Career Management

Along with developing new organization charts, reporting relationships and compensation packages, outline the new roles and career paths related to the new functions. Highlight people who have moved through the organization and what opportunities and steps they took. This is also a good time to refresh awareness of career paths in other parts of your organization. Refer people to existing internal career management resources which are often online or through HR. Encourage them to talk with people in other departments to broaden their understanding of the business. Provide opportunities for them to make presentations, serve on task forces or other means of gaining visibility. Emphasize the message of self-development. This organizational change is another wake-up call and opportunity to rejuvenate career management skills. Reinforce the "thrival" skills of resiliency, networking, communication, team maintenance, establishing priorities and customer service.



## 6. SEVERANCE PLANNING – an overview

There comes a point in many change initiatives where some positions need to be eliminated or individuals are standing in the way of moving the change forward. Information on severance packages is available from Human Resources and Employment law resources. Consult with legal counsel for federal, state and local laws concerning terminating employment.

You will need a formal policy identifying what positions are eligible for severance and circumstances (reduction in force, elimination of position, performance criteria, etc). Severance is generally calculated based on years of service, position, reason for termination, or occasionally on a case-by-case basis. Some people have negotiated a severance agreement at the time they were hired. The most common approach is one to two weeks pay per years of service. It may be paid in lump sum, or over a specified period of time, or by employee choice. Some companies stipulate that payments may terminate if employee finds new employment before the payment period ends.

What benefits will continue and what will cease? Here is a short list:

- (1) Medical, Dental and Optical + COBRA - Employees need to be made aware that they will be responsible for the premium payments.
- (2) Insurance – Disability, Life, etc.
- (3) Financial planning assistance
- (4) Outplacement – to include Resume/Job Search/Interviewing skills, coaching, and may include office space and secretarial and answering services. These services may be contracted for the entire terminated population or for individuals.
- (5) Re-training – a lump sum amount or actual courses to enhance marketability. Address any tuition assistance programs in effect.
- (6) Use of company property (cars, equipment, etc.)

Be specific about how long the benefits last with the specific end date and any optional extensions. For example, COBRA may be extended up to 18 months after termination date.

Check with your HR/Legal advisors for the appropriate waivers and releases that may be required to ensure the rights of the individual are upheld and the company is protected. They can also advise on federal reporting requirements for job elimination.

Transition Period Plan – Outline what is expected of them during the rest of their time with the organization. Emphasize that they are still needed to perform their job. This includes mutually setting short-term work goals and performance standards, scheduling outplacement, time off for job search, etc. Discuss what they may be able to tell customers, what they should not disclose and why it must be kept confidential.

Acknowledge and show appreciation for their patience during this research and decision period, for the heroic efforts of some, and their participation in the process. This can and should be genuinely expressed in both public and in private. It should be a tangible gift as well as cash. Even if their performance and behaviors have been less than stellar, our objective is for them to leave feeling they were treated with respect and dignity.

## 7. THE MORNING AFTER

Not all changes happen all at once. Many are incremental. Yet, if you've ever been involved in a down-sizing or a merger, you'll never forget how everyone 'walks around on egg shells' afterwards. Here are some things you can do:

- Help others re-define 'normal' for themselves. Remind them (and yourself) what has not changed and remains the same.
- Encourage people to talk about things.
- Talk about *why* the change was needed to imbed a new context and meaning for their work.
- Communicate the new vision – make it a dialogue, not a lecture. Dissect the words and phrases to find how they are meaningful to individuals in their day-to-day work. It reminds them that they are contributing to something important and meaningful, not just making a living.
- New leaders must contact people in person, one-on-one or in small groups. The primary purpose is to listen. It is important to surface the issues that are creating both concern as well as those that are enhancing morale.
- Follow-up to ensure responses to the concerns that have been raised. Take action.
- Review and communicate the results of the change both initially and then at least quarterly.
- Step back and review key lessons learned –what was successful and what needed to be handled differently.

---

Endnote:

Change happens to all of us. Whether you are an initiator, a leader or a receiver of changes, there are skills we can develop and many resources to help. For organizations, we not only want the bottom-line results, we also need to keep the organization's reputation in good standing. This is achieved through the way in which people perceive they are treated – with respect and dignity. As individuals, our reactions and response to change as well as our leadership role during times of change contribute to our personal reputations.