

Big Change, Less Pain

Equity Residential

Undertaking an enterprise-wide organization redesign affecting more than 30% of the workforce, the Organization and Talent Development (OTD) Department at Equity Residential partnered with key business leaders to facilitate transition at all levels of the organization. The new business model allowed on-site employees to transfer administrative duties to an off-site central business group, supporting an increased focus on sales and customer service. Through the transition, Equity Residential has maintained high employee engagement, lower than expected turnover, flat payroll costs and improved business metrics.

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Summary

Undertaking an enterprise-wide organization redesign affecting more than 30% of the workforce, the Organization and Talent Development (OTD) Department at Equity Residential partnered with key business leaders to facilitate transition at all levels of the organization. The new business model allowed on-site employees to transfer administrative duties to an off-site central business group, supporting an increased focus on sales and customer service. Through the transition, Equity Residential has maintained high employee engagement, lower than expected turnover, flat payroll costs and improved business metrics.

learning resources

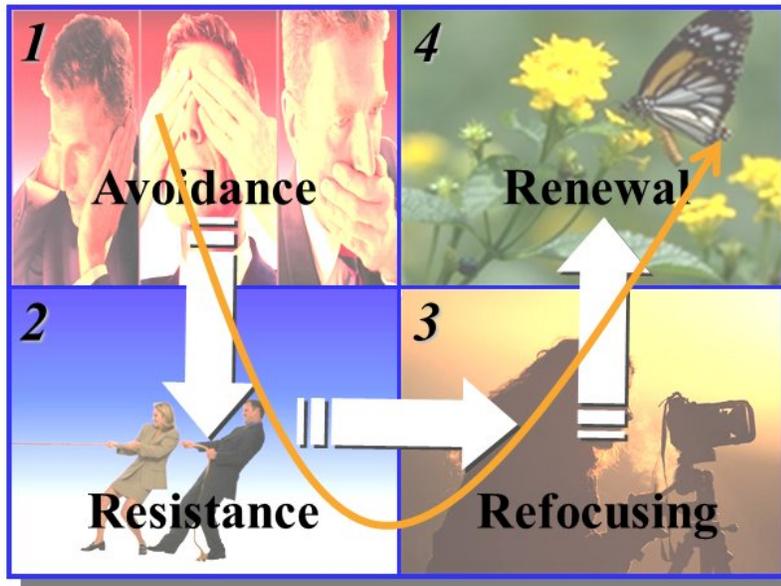


Framework for Designing Change

STAGES			
Target Audience	<i>Mobilize</i>	<i>Design</i>	<i>Transform</i>
Top Leaders	Align Top Leadership <ul style="list-style-type: none"> ◆ Initiate Change ◆ Charter Change Leaders and Change Navigators ◆ Set Strategic Direction for Change 	Make the Case for Change <ul style="list-style-type: none"> ◆ Communicate the Need to Change ◆ Leverage Commitment from the Top ◆ Ensure Middle Management Support for Change ◆ Oversee the Change Designs 	Champion New Ways <ul style="list-style-type: none"> ◆ Recharter Change Implementation Team ◆ Support Change Through Leader Actions ◆ Support Renewal During Implementation ◆ Align Activities of All Integration Processes ◆ Hold Reviews of the Change Implementation
Change Team	Convene and Charter Change Team <ul style="list-style-type: none"> ◆ Recruit and Charter Change Team ◆ Team Designs How They Will Work Together 	Design New Processes <ul style="list-style-type: none"> ◆ Translate Vision into Structure ◆ Set Up Design Teams ◆ Integrate Designs into Overall Plan 	Cascade Change Leadership <ul style="list-style-type: none"> ◆ Provide New Skills for Managers to Lead Change: Leading Change Workshop ◆ Coach and Support Managers to Take Up New Rules
Employees	Develop Individual Change Capability <ul style="list-style-type: none"> ◆ Develop Change Capability Workshop 	Employee Involvement Process <ul style="list-style-type: none"> ◆ Identify Stakeholder Groups ◆ Develop Employee Involvement Process 	Develop New Teams <ul style="list-style-type: none"> ◆ Redesign Teams ◆ Develop New Team Charters ◆ Develop Team Learning Process
Organization Culture and Processes	Assess Organizational Change Capability <ul style="list-style-type: none"> ◆ Convene and Charter Assessment Team ◆ Design and Set Up Assessment Process ◆ Data Collection ◆ Feedback and Action Steps 	Align Systems with New Processes <ul style="list-style-type: none"> ◆ Create Workforce Transition Strategy ◆ Define New Work Contract ◆ Support Employee Growth and Development ◆ Define Human Resources System Implications for Change 	Anchor Organizational Learning <ul style="list-style-type: none"> ◆ Convene a Learning Council ◆ Define Strategies to Support Learning Throughout the Organization ◆ Team Skills of Learning How to Learn

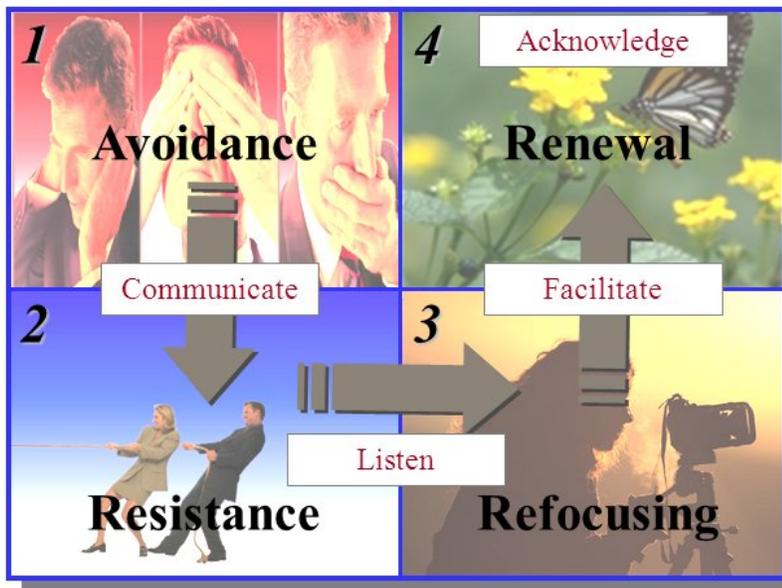
Contributions from *Getting Your Organization to Change* by Dennis Jaffe & Cynthia Scott

Personal Transition Process



Leader Strategies

The Transition Process



Central Business Group Site Evolution

Activity #1 – Preparing to Lead Change

Objectives:

- Support managers in leading their teams through the Central Business Group (CBG) Site Evolution process by better understanding change and transition
- Prepare how to best communicate the change and anticipate the employee transition needs around the CBG Site Evolution change
- Craft a communication plan for the change using available resources
- Determine where each employee is in the change and transition process
- Begin development of a step-by-step plan to make the Site Evolution of CBG a success

Intended Audience:

- The activity is designed as a Regional Manager led activity for their Property Managers and site teams
- After the Regional Manager led session, Property Managers may also lead similar conversations with their teams throughout the transition process as needed

Activity Outline:

- This activity is one in a series of conversations that will assist in facilitating the transition process.
- This first conversation is designed to take **1 hour to complete**

Part 1: Phases of Change

Materials: Leading Change - Site Transformation Resource (Handout)

Time: 5 minutes

Part 2: A Transition Management: Communication Checklist

Materials: A Transition Management: Communication (Checklist)

Time: 25 minutes

Part 3: Audience Analysis

Materials: Audience Analysis (Handout)

Time: 20 minutes

Part 4: Action Plan and Next Steps

Materials: Action Plan (Handout)

Time: 10 minutes

Activity Preparation:

- Regional Managers read CBG Site Evolution Talking Points document and Leading Change – Understanding the Phases of Change Handout
- Regional Managers hold a meeting with their Property Managers to facilitate this conversation and activity at the beginning of the CBG Site Evolution process, if possible
 - Subsequent conversations happen throughout the transition process using these documents as needed. These conversations are best first led by the Regional Manager and later led by the Property Manager with their teams

- Your Regional Vice Presidents can assist in preparing Regional Managers for these conversations
- Refer to Site Evolution Conversation Guides for additional resources
- For more information or assistance, please contact a member of your Regional Organization & Talent Development Department.

Facilitator Notes

Part 1: Phases of Change (Regional Manager discussion - 5 minutes)

- **Handout** Leading Change – “Understanding Phases of Change” to participants
- **Say** During the change process, there are three distinct stages people go through: Endings, Transitions and New Beginnings. Whenever a change is introduced, something ends. What ends is the current or present state of doing business, performing work, or interacting with others. Our Site Evolution of the CBG platform is a change we need to examine in this context to understand our role as leaders and anticipate the reaction of our teams. To help people through an ending caused by a change, ask them how they are doing with the change. If they are struggling, provide them with information or tools to help them better understand. Help them replace past successes with new opportunities. Celebrate small successes as they move forward with the change.
- **Ask** What are some of our resources in this change?
- **Say** The transition phase is most difficult for people to get through. It’s also where the most time should be spent during the change management process. Resistance to change often surfaces during this phase. At this point in the change process, you have ended the way things were done before; however, you have not yet delivered on what has been promised from the change. People may feel “lost” and things may become uncomfortable.
- **Ask** What things have emerged as uncomfortable for you and your teams in this transition time with the Site Evolution of the CBG platform?
- **Say** A new beginning happens when the benefits of the change are realized, and people start to feel ownership of how the change has personally affected them. When the change becomes how we just “do our business” we know we have fully integrated the change and are living in the “New Way”.
- **Ask** When will you know that you and your teams are living in the New Way?

Part 2: Transition Management: Communication Checklist (Activity - 25 minutes)

- Use the Communication Checklist as a guide for your group discussion, spending time on questions that most interest your group or where most clarity is needed. There are possible facilitator responses listed for each question presented to assist in guiding the conversation, if needed. However, they aren’t mandatory responses. Vice Presidents and Regional Managers can craft their own responses or work with their Regional Organization & Talent Development partners for assistance.

- **Say** Change is an evolutionary process, so is communication. As we help ourselves and our teams move through change it's important to know some questions to ask and some "Do's and Don'ts" in communicating change.
- **Ask** What is really driving the CBG Site Evolution change? What is the problem to which the change is the solution? (Possible facilitator response: This change is all about service and sales. The goal is to clear the plates of our property staff so they can focus even more intensively on sales, service and being the brand, while still maintaining a high standard of accountability in our business operations.)
- **Ask** What would happen if we didn't change? (Possible facilitator response: Our industry and our customers are changing rapidly. The way we attract, acquire and serve our customers is totally different than just a few short years ago. Our new platform for doing business is really just the beginning. We have to remain committed to "Bold and Cool" endeavors that make us better.)
- **Ask** What will we become through the change? Not just what will the outcome be, but what will it allow us to transform ourselves into? (Possible facilitator response: This change will allow people to strengthen their sales and service skills by specializing in those areas. Others may consider new career paths in CBG teams. We understand professional growth is important and we're in the process of redesigning career paths to further evolve)
- **Ask** How does the change fit with or grow out of the past? What does the change permit us to keep or protect? (Possible facilitator response: Equity has always been a leader in the Apartment industry and amongst our REIT peers. We aren't the first or last to go through a process similar to CBG. However, we plan to be the most intentional and successful in adopting and transitioning into this new way of business with an enhanced sales and service culture.)
- **Ask** What kinds of secondary change (include 'side effects') are likely to occur? (Possible facilitator response: Some secondary changes can emerge such as shifts in responsibilities or delegation, or more opportunities for greater specialization and mastery in critical service-related tasks.)
- **Ask** How could individuals and groups be affected negatively by the change? (Possible facilitator response: The role of the Assistant Property Manager will see the most change as the goal is to create a central bookkeeping function responsible for maintaining resident accounts and consistently applying company policies. However, this site evolution impacts all positions on site to some degree as tasks are distributed differently. It's natural for roles to be somewhat ambiguous as we move through the change. However, we know that we'll continue to improve role clarity while working through the transition process.)
- **Ask** What kind of assistance will we provide affected individuals and groups? (Possible facilitator response: Vice President/Regional Manager support, ongoing communication, Site Evolution Conversation guides, employee development, training resources.)
- **Ask** What are the answers to the question, "What's in it for me? (WIIFM)." Considering answering this for all people affected by the change. (Possible facilitator response: Benefits vary by person and position. However, some

- markets have already noted more time to focus on serving the customer, leading to improved customer loyalty scores and increased occupancy.)
- **Say** These are critical questions. Don't imagine that it's enough to answer them once. Answer them again and again, in different ways. Remember that communication is more than content. It is also a process.
 - **Ask** What can we tell our folks when we don't know the specific answer? (Possible facilitator response: Refer to the Do's and Don'ts on the "Transition Management-Communication Checklist Handout"
 - **Ask** What resources do you have in communicating change? (Possible facilitator response: Your Vice President, Regional Managers, Site Evolution Conversation Guides (Tool Kit) and your Regional Organization & Talent Development Department).

Part 3: Audience Analysis Activity (20 minutes)

- **Say** In order to build support for change, you need to know the issues each audience has and how the change will impact them. Regional Managers and Property Managers will use the "Audience Analysis template" below to take the CBG Site Evolution process and craft a message about the change for each audience. Once crafted, share the potential benefits with your team members based on their position and address any concerns they have as best you can. Remember your communication resources, if needed.

Part 4: Action Plan (10 minutes)

- **Say** Complete the Action Plan Worksheet by writing down steps to take in order to become prepared in leading the change. (Give several minutes to complete this activity.) Ask for volunteers to share commitments on how they choose to move forward to ensure that all the new assigned tasks are completed.

Part 1: Leading Change – Understanding the Phases of Change Handout

During the change process, there are three distinct stages people go through:

Endings, Transitions and New Beginnings

1. Endings

Whenever a change is introduced, something ends. What ends is the current or present state of doing business, performing work, or interacting with others. Things are no longer as they used to be. Whenever a change is introduced, something ends. What ends is the current or present state of doing business, performing work, or interacting with others

To help people through an ending caused by a change, consider the following:

- Ask them how they are doing with the change. If they are struggling, provide them with information or tools to help them better understand.
- Help them replace past successes with new opportunities. Celebrate small successes as they move forward with the change. Help them let go of “the way things used to be.”

2. Transitions

The transition phase is most difficult for people to get through. It’s also where the **most** time should be spent during the change management process. Resistance to change often surfaces during this phase. At this point in the change process, you have ended the way things were done before; however, you have not yet delivered on what has been promised from the change. People may feel “lost” and things may become uncomfortable.

To help associates through a transition, consider the following:

- Celebrate small successes as they are accomplished.
- Allow people to express their concerns and share their emotions.
- Continue to be a change advocate, and share the end vision of change.
- Over-communicate, over-communicate, and over-communicate!

3. New Beginnings

A new beginning happens when the benefits of the change are realized, and people start to feel ownership of how the change has personally affected them. There is higher level of cultural acceptance and increased comfort and awareness of the change effort. New beginnings should be celebrated and “lessons learned” captured to ensure the next change effort is successful.

Potential Pitfalls

As you begin to implement change management tools and techniques, keep the following potential pitfalls in mind:

- Under-communicating: First, you can never over-communicate. As people go through the change process, they crave information to better understand what is happening within the organization.
- Making assumptions: Second, don’t assume that just because you have accepted and are excited about the change that others will be. If you’re part of the change management and/or leadership team, most likely you

have been exposed to the change prior to others; therefore, you have had more time to move through the phases of change, unlike the others.

- Rushing the emotional process: Third, give people time. During a change, we are asking people to change their behavior, and behavioral changes don't happen overnight. Understand people will go through a transitional phase, an effective change leader supports them during those tough times.

¹ *Diffusion of Innovations*, Everett Rogers, 1995.

Part 2: Transition Management: Communication Checklist Handout

When you are thinking of what to say about a situation that is causing people to be in transition, think of these questions:

1. What is really driving the change? What benefits are we expecting to see?
2. What would happen if we didn't change?
3. What / who will we become through the change? (Not just what will the outcome be, but what will it allow us to transform ourselves into?)
4. How does the change fit with or grow out of the past? What does the change permit us to keep or protect?
5. What kinds of secondary change (include 'side effects') are likely to occur?
6. How could individuals and groups be affected negatively by the change?
7. What kind of assistance will we provide affected individuals and groups?
8. What are the answers to the question, "What's in it for me? (WIIFM)" - consider answering this for all people affected by the change.

These are critical questions. Don't imagine that it is enough to answer them once – and then say, "We already answered that." Answer them again and again, in different ways. Remember that communication is more than content. It is also a process.

There may be long periods of time when you don't have much to say. While you are waiting for answers, talk. Remember these things:

Do's

- When you can't tell people what, tell them how the what is going to be determined and when.
- When you run into a delay, explain.
- Tell them what you are doing about the problems causing the delay.
- Tell them what you wish you could tell them.
- Tell them you know that this is a difficult time for them.
- Tell them that you hope that they will hang in there.

Don'ts:

- Don't tell them "trust us."
- Don't tell them "be loyal."
- Don't tell them "stop complaining."

Allow people the space to have their feelings about the change and know that what is happening is temporary. **And when in doubt, just keep communicating.**

Part 3: Audience Analysis Activity Handout

In order to build support for change, you need to know the issues each audience has and how the change will impact them.

Regional Managers and Property Managers will use the “Audience Analysis template” below to take the CBG Site Evolution process and craft a message about the change for each audience.

Once crafted, share the potential benefits with your team members based on their position and address any concerns they have as best you can. Remember your communication resources, if needed.

Audience (Individuals or groups)	Level of impact this change has on this audience	Issues or concerns this audience may have about this change	Case for change (WIFFMs) – how will this change benefit this audience?

Part 4: Action Plan Handout

Instructions: Answer the following questions, which will help you with your next steps in Preparing to Lead the Change.

Which 2-3 things can you begin doing today to reach your leading change goal?

- 1.
- 2.
- 3.

What's in it for you to begin doing these things?

What help and support do you need to improve in these areas?

How will you monitor your progress?