Leading Through Transition: Evaluating IT Transformation in a Scaling Organization

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Abstract

This paper analyzes the transformation of XYZ's IT business unit during the company's transition from start-up to SME. Faced with technical debt, delivery delays, and organizational stress, XYZ launched a major restructuring to increase throughput at its operational bottleneck—the IT department. The new CTO implemented a task-aligned strategy emphasizing process redesign, modern engineering practices, and expert coaching. Using Lewin's Force Field Analysis and Bridges' Transition Model, the study assesses how the organization managed both the structural change and the human transition. Findings show that XYZ's success stemmed from removing restraining forces—such as complexity, mistrust, and skill gaps—rather than intensifying pressure for change. Although the early phase of "letting go" was insufficiently supported, strong leadership, communication, and quick wins helped guide teams through the neutral zone to full adoption. The transformation stabilized operations, improved collaboration, and laid the foundation for sustained organizational learning.

Introduction

XYZ is a tech company that offers services through an online platform where contractors can upload their legal documents. The enterprise is transitioning from a small start-up to an SME, reporting double-digit growth over the past six years.

This organic growth triggered adverse emergent properties that inhibited the company's main value drivers, including the inability to deliver new features, seize new market opportunities, and customer dissatisfaction, as well as stress and anxiety within the organization.

XYZ's systemic analysis revealed that the IT department was the organization's bottleneck. To increase the flow of the constraint, the company initiated a revitalization effort mainly focused on this business unit. The adjustments performed in this function resulted in changes at other organizational levels.

This report will first provide an overview of the changes made in the IT department while keeping a helicopter view of the company. Then, it will assess how XYZ managed change in relation to two complementary models.

Observations

Describing the Change

The following sections will describe the main changes performed within XYZ's IT department.

Organizational Structure

XYZ first decided to change its **IT leadership team**. The organization hired a new CTO, who promptly dismissed the technical leaders, project managers and senior developers. He then contracted technical experts and sought new employees who aligned with the mindset he wanted to instill.

Moreover, the CTO prohibited any direct communication between upper management and his teams to filter out the noise and give them space.

Technology

The freshly established IT leadership team imposed an entirely different **technical stack** to force a new dynamic within the business unit. This drastic top-down decision generated turnover among long-time employees, which was precisely the intent, and facilitated the adoption of new practices.

Processes, Practices and Tools

In this context of technological reconstruction, expert consultants worked alongside the teams to set up state-of-the-art **processes and practices**: software quality, incremental and collaborative approach to product design, and self-organized teams. Furthermore, these experts integrated fit-for-purpose tools to replace previous obsolete ones.

Guiding Force Behind the Change

The force behind the change included a "pushing" and a "pulling" component. The **recurring delays and delivery issues** pushed the company to consider rewriting its platform from the ground up, maintaining the same set of features. However, given the current platform's significant complexity and instability, the risks related to this endeavour were unacceptable.

Simultaneously, an **opportunity to penetrate the German market** "pulled" the change towards building a new, leaner, platform. XYZ's ambition was then for this platform to grow until it eventually replaces the existing one.

Strategies Employed

XYZ employed a **task-aligned strategy** as coined in (Beer, Eisenstat, & Spector, 1990). Indeed, the CTO began by resetting all roles and responsibilities within the business unit, then leveraged experts' experience to focus on the work at hand. After the teams matured through the forming and storming stages, new roles emerged eventually (norming stage).

Moreover, the development efforts initially focused on **peripheral features** before iteratively converging towards XYZ's core business as the teams acquired new organizational and technical practices.

Barriers to Change

The IT department encountered barriers to change from both inside and outside the business unit. Internally, most people were **unfamiliar with the methods and technologies** they had to master. Besides hiring expert consultants, the company overcame this barrier by fostering self-organization among teams to create a "team of teams" (Tuckman's performing stage).

Moreover, the **impatience and general lack of trust** from the rest of the company generated anxiety among the IT department's employees. Consequently, XYZ decided to release features early and often to achieve quick wins, overcommunicate every success to educate about the change and vision, and commit only to what the teams could realistically deliver.

Change Implementation

Two years into the change, all customers switched to the new platform, and XYZ discontinued the previous one. New structures and systems are now in place, and after the initial restructuring, the IT department experienced limited turnover. Moreover, as the expert consultants left, the teams continued to develop new competencies and improve continuously.

Change Agent's Role

Throughout the revitalization effort, the CTO relentlessly championed change and was accountable for its progress. As a change agent, he displayed a set of skills, including speaking skills, openness and adaptiveness, analytical skills, leadership, and resilience.

He used these assets to communicate a **clearly articulated vision** about the desired future in an open and regular manner. Moreover, he stayed positive yet realistic about the situation, celebrated small successes and collected **feedback** continuously. Otherwise, he surrounded himself with competent people (e.g. technical experts and leaders) to fill his knowledge gap in specific areas.

However, he lacked listening skills and **empathy**. As a result, he did not manage conflicts, nor did he provide sufficient support to the employees (e.g. interpersonal support).

Assessment of the Organizational Change

The following section will examine two essential facets of the revitalization effort: the **change process** (i.e. what is happening concretely) and the associated **transition** (i.e. how each individual comes to accept change and leverage it).

The assessment will use two complementary models. Lewin's Force Field Analysis will help understand the change's dynamics. Besides, Bridge's Transition Model will serve to evaluate the organization's transition management.

Lewin's Force Field Analysis

The Force Field Analysis provides a robust framework for planning change by identifying the forces influencing the system: the **driving forces** that support the change and the **restraining forces** that act as obstacles (Spier, 1973).

It is a liberal instantiation of Newton's second law, which implies that the sum of all forces applied to a system in static **equilibrium** is zero. In this context, the equilibrium is when the organization's state stabilizes.

Initial Static Equilibrium

The following schema illustrates the force field before the revitalization effort.

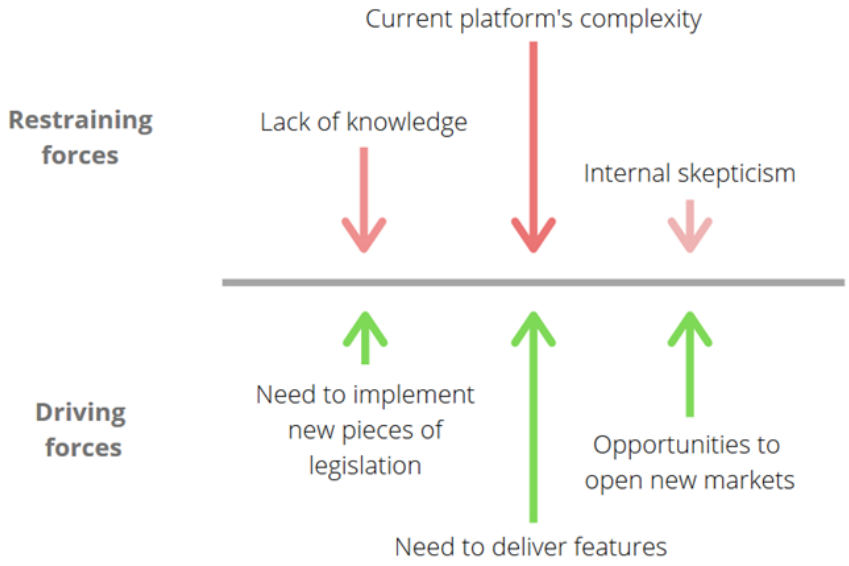

Figure 1: XYZ's force field before the change. The sum of all forces is zero, creating a static equilibrium (status quo).

Moving the Equilibrium

XYZ decided to act on these forces to move the equilibrium towards the desired situation. The list below analyzes the actions the company performed.

- **Opportunities to open new markets**: New opportunities in Europe intensified this force significantly.
- **Current platform's complexity**: XYZ relieved this force's pressure by building a leaner platform. Indeed, the teams were able to deliver new features without having to manage the current platform's complexity.
- **Internal skepticism and lack of trust**: Through the enthusiasm generated by quick wins, this force ceased to be an obstacle and became a driver.
- **Lack of knowledge**: This force became a driver thanks to the expert consultants, who instilled knowledge and new practices into the teams. Moreover, the high turnover among long-time employees eased the adoption of these practices and reinforced this trend.

This analysis illustrated that XYZ's task-aligned strategy focused on **removing the restraining forces** instead of merely adding new driving ones. This approach is generally more likely to bring **stable changes** as it removes forces that were pushing for a return to old behaviours – thus reducing entropy (Spier, 1973), (Beer, Eisenstat, & Spector, Why Change Programs Don't Produce Change, 1990).

Bridge's Transition Model

The Transition Model focuses on understanding and managing transitions during change. According to this model, a transition is a "three-phase process that people go through as they internalize [...] the details of the new situation that the change brings" (Bridges & Bridges, 2016). Ideally, the change process and transition occur concomitantly, but they can also happen on different timelines. It is also important to note that this process is not linear – all phases take place simultaneously (see Appendix 1).

The sections below will evaluate XYZ for each phase against the actions that the model advises (Bridges & Bridges, 2016).

Phase 1 – Ending, Losing, Letting Go

People are often initially resistant to change because they must move away from a familiar situation where they have developed habits. During this first phase, they should become open to change by acknowledging and accepting the end of the status quo. The figure below summarizes XYZ's assessment for Phase 1.

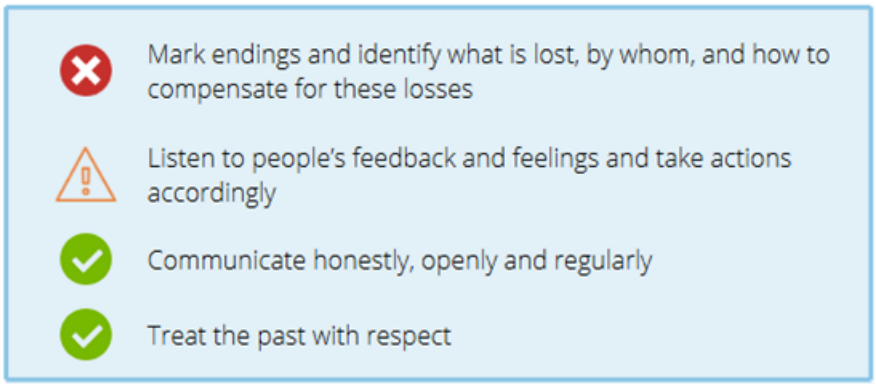

Figure 2: Assessment of XYZ's Phase 1.

According to (Beer & Nohria, Cracking the Code of Change, 2000), change agents should balance theory E (tasks) and theory O (people) to effect change efficiently. Nevertheless, the CTO's mindset was extremely biased towards theory E, and he thus listened only to people's task-related feedback. Consequently, employees grew resentful of the company. Most of them left since their work no longer met their intrinsic motivations (EPM, 2018).

On the other hand, sharing the same information simultaneously with everyone prevented a "Broken Telephone" phenomenon and effectively helped people understand why XYZ needed to change and what was in it for them. It also soothed the anxiety associated with uncertainty.

Finally, the CTO regularly acknowledged that the past led the company to its current position but explained why the status quo would not help the company move forward.

Phase 2 – The Neutral Zone

The neutral zone is the most crucial phase of the transition as it is a "critical, ambiguous, uncertain time where leadership is highly required" (Bridges & Bridges, 2016). The figure below summarizes XYZ's assessment for Phase 2.

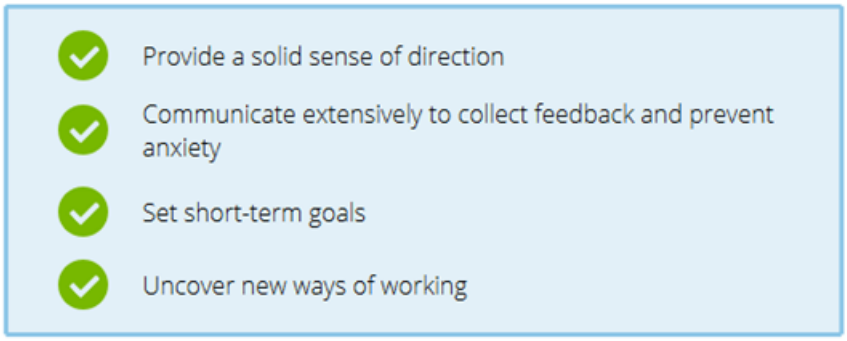

Figure 3: Assessment of XYZ's Phase 2.

This phase is an excellent opportunity for creativity and innovation (Bridges & Bridges, 2016). By fostering self-organized teams, XYZ was encouraging people to identify and solve problems themselves.

Moreover, setting clear expectations prevented people from making assumptions and aligned them all in the same direction. This action increased the chances of achieving the desired future.

Otherwise, small and frequent releases enabled quick wins. The teams celebrated and advertised these small successes throughout the company, boosting confidence and generating a sense of progress.

Finally, collecting concerns by abiding by Rule #6 (Zander & Zander, 2000) enabled double-loop learning and allowed the CTO to adapt the course of action to address what could get in the way of the desired future (Argyris, 1977).

Phase 3 – The New Beginning

In this last phase, people are embracing the change and are open to learning the skills they will need to perform within the new context. The figure below summarizes XYZ's assessment for Phase 3.

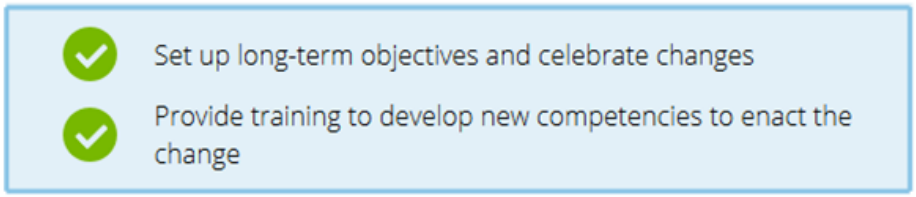

Figure 4: Assessment of XYZ's Phase 3.

The CTO's long-term goal was to remove the existing platform entirely and replace it with the new one. Although he did not express this objective explicitly in the early days, he started to communicate it more frequently when people entered this transition phase. Each milestone reached was an opportunity to celebrate and reiterate the team's commitment to this endeavour.

Furthermore, XYZ imposed new roles and responsibilities on their employees to ensure long-lasting changes in their behaviour (Beer, Eisenstat, & Spector, Why Change Programs Don't Produce Change, 1990). The company relied on its expert consultants to provide coaching and help people assume their new responsibilities.

Overall Assessment

XYZ **overlooked** the first transition phase. However, this situation did not jeopardize the whole process, as most employees in the department were newcomers with no baggage. Moreover, **extensive communication** reduced anxiety and self-absorption, typically experienced during this phase (Bridges & Bridges, 2016).

On the other hand, the CTO showed **strong leadership** to get the teams through the following phases – notably, the neutral zone. Also, he shielded the employees against external perturbations to give everyone the time and space to reorient themselves.

Conclusion

XYZ successfully undertook significant changes within its IT business unit to tackle the critical challenges it was facing.

The assessment of the company's change management using Lewin's Force Field Analysis and Bridges Transition Model revealed that XYZ's task-aligned strategy efficiently removed forces that were impeding change. Moreover, the CTO's

strong leadership drove the teams through the transition, even though his efforts in the mourning process were insufficient.

These actions enabled the change and provided the company with long-lasting effects.

Appendices

The Three Phases of Transition

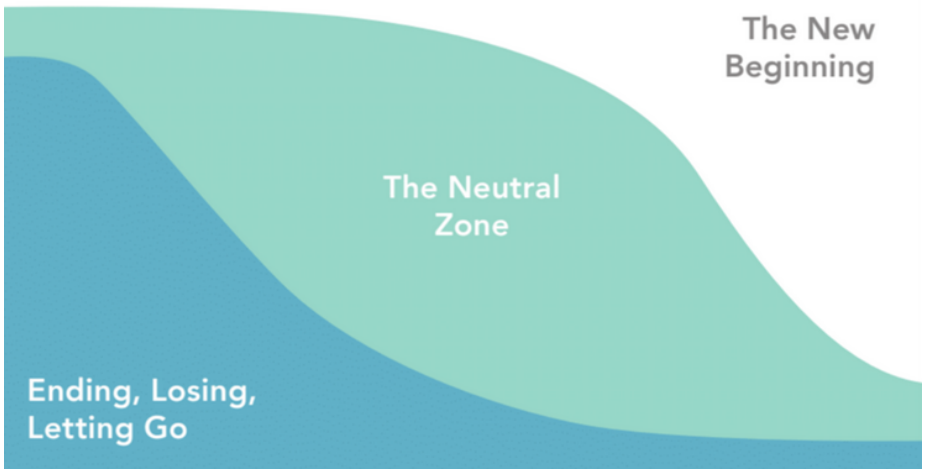

Figure 5: Bridges' three phases of transition. Phase 1 is more prominent at first, and Phase 3 takes over near the end. Source: letterpress.se

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