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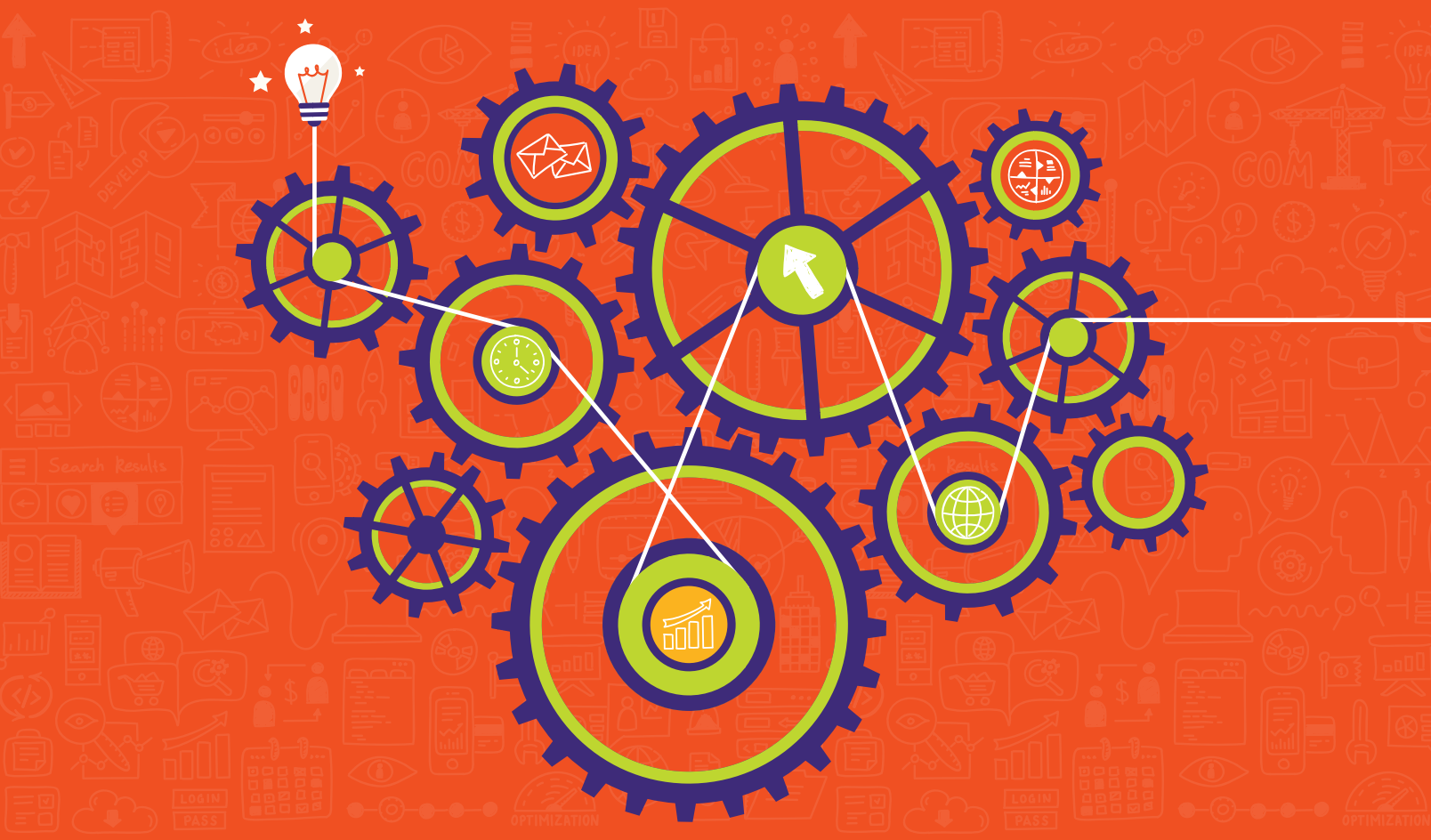

LEADING WHEN THERE'S TOO MUCH CHANGE

Kristin Cullen-Lester and William Pasmore

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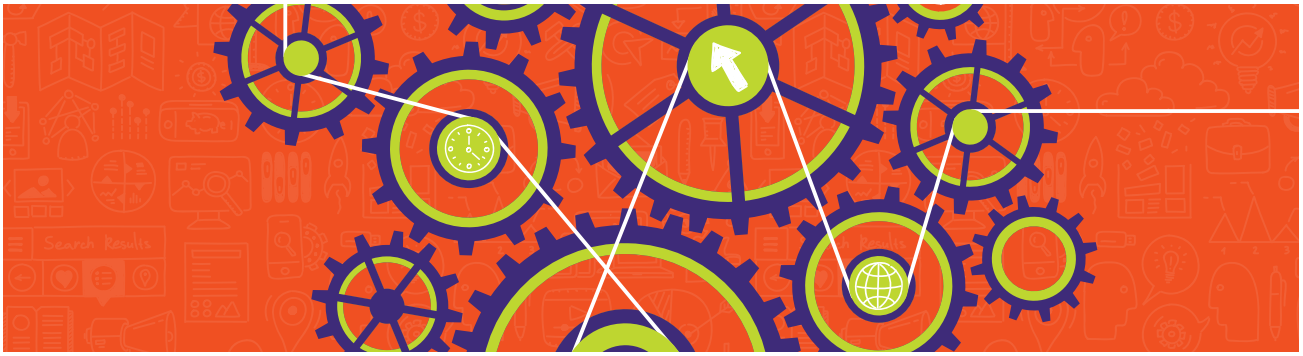

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This was it: The last day in an office where many employees had worked for years. The company we're calling ACE Consulting was about to move to its new home after being acquired by a much larger firm. During the previous week's all-hands meeting, ACE's founder assured his employees that he had worked diligently during negotiations with the new owners to make certain "nothing was going to change." Most of the employees were skeptical. How could moving locations, having new colleagues, and working in the new, larger company not require change? They were right to be concerned.

The move to the new physical location was confusing but turned out to be the easiest part of the change. Not everyone was happy with the new workspace, but once employees learned their way around, they got used to it. Adapting to different systems for IT, compensation, knowledge management, invoicing, expense reimbursement, and benefits was more difficult. However, the hardest of all was fitting into the larger firm's culture and figuring out how to collaborate in a much larger, more siloed company.

ACE employees felt like they had lost their identity, influence, and authority. Struggles over who should get credit for landing new business and who would lead account teams became commonplace. ACE consultants had less control over how client work was sold, delivered, and compensated. Before long, a few ACE employees left, saying that the larger firm environment wasn't what they had in mind when they joined ACE. Over time, more followed. A few years later, there was almost nothing left of the acquisition that had been ACE.

It doesn't take a merger to create a turbulent workplace. Many organizations have a similar amount, variety, and pace of change. This is perhaps not surprising to you, given the change you're likely facing in your own organization. Organizations must change to survive and thrive. Many experts—for example, Clayton Christensen and John Kotter—contend that the continuously changing workplace is the new normal.

Change often occurs for good reasons, such as mergers, shifting market conditions, client demands, technological advances, or continuous improvement and innovation efforts. Yet, changes disrupt the sense of stability in the workplace, creating uncertainty and uneasiness among employees. Compounding this uneasiness, change efforts fail to meet their objectives nearly twice as often as they succeed.

Many employees and organizations are overwhelmed by the current pace, scope, and difficulty of workplace change, but they can thrive if change is managed correctly. This *TD at Work* provides leaders and HR professionals with advice and helpful tools for dealing with a world of too much change.

Leaders implementing change and HR professionals helping leaders retain a healthy, productive workforce will be shown how to:

- assess your organization's change history and its cumulative impact on your organization's capacity to undertake additional change
- help employees deal with change overload and other negative consequences of having experienced too much poorly managed change
- lead complex, continuous change without creating change overload.

THE CHANGES WE ARE ASKED TO MAKE, BOTH LARGE AND SMALL, REQUIRE AN INVESTMENT OF COGNITIVE, PHYSICAL, AND EMOTIONAL RESOURCES.

CUMULATIVE COST OF WORKPLACE CHANGE

Each of us has an "emotional bank account" that contains the emotional energy we use to deal with the challenges life throws our way. When the account is drained, we stop engaging with the world. We cut ourselves off, seek shelter and safety, and surround ourselves with the familiar or comfortable until we can replenish our reserves.

A similar account exists for our capacity to handle workplace change. The changes we are

asked to make, both large and small, require an investment of cognitive, physical, and emotional resources. For each change, we must acquire new knowledge and skills, adjust our behavior, and even think and feel differently. Even small, seemingly insignificant changes can drain us over time. Changes that are more transformational require even more of our resources.

Setting Priorities

As a leader, you (and others) must decide how many and which changes to pursue in your organization. You must prioritize your change initiatives. This may seem like common sense, but many organizations struggle with making these decisions.

Prioritization is often poorly managed, if it's done at all. Poor prioritization tends to result in organizations becoming overloaded with change. See the sidebar, Prioritization: What Does and Doesn't Work, for guidance on what to do and what to avoid as you set priorities.

The underlying trouble with prioritization is that leaders make invalid assumptions that cause them to take on more change than they should. For example, leaders may consider changes to be independent of each other or think of change as a way to demonstrate they are being proactive.

Quite often, multiple change initiatives depend on the same people or the same resources, creating roadblocks to progress as people try to sort out priorities. Moreover, many initiatives are interdependent, meaning that one cannot be completed until another is completed. Even though people would like to make progress, they are forced to wait on others. Finally, unplanned changes and crises seem to occur daily, driving attention away from planned work.

If an organization manages change in this way long enough, people lose confidence in the organization's ability to change. They come to mistrust leaders who say they are committed to making change happen and start to run from opportunities to join another change task force.

Then there is the issue of how change is led. The majority of leaders have had little formal training in change leadership. It's common for leaders to adopt a "just do it" approach, which

PRIORITIZATION: WHAT DOES AND DOESN'T WORK

In the fall of 2014, we asked more than 300 executives about their experiences with organizational change. Here's what we found.

- 77 percent of the companies experienced more change in the last five years than they did in the previous five years.
- Most executives (86 percent) felt these were important changes, but few (9 percent) felt they were effective.
- The amount of change was eye-opening, with 89 percent reporting significant change projects in their organization and 11 percent reporting that more than 50 projects were underway.
- Most (76 percent) recognized that prioritization was needed to successfully implement these changes, but only 10 percent said their organization was effective at prioritizing.

To better understand this prioritization gap, we identified the differences between organizations using effective and ineffective prioritization strategies.

Organizations With Ineffective Prioritization Strategies

- Did not have prioritization strategies or had ones that are ad hoc or inconsistent.
  - » "I have asked about priorities and have been told they are all equally important."

- » "We lack a formal prioritization process. The natural process is to keep loading the resources (people, assets, money) until they are unable to handle anymore load."
- » "We use committees, but they only address the largest projects. It's the smaller ones that are killing us."

- Were reactive, moving from crisis to crisis or focusing only on pet projects, rather than following a strategic plan.
  - » "They change their mind regularly, so what is a high priority one day could be forgotten the next."
  - » "Squeaky wheels are taken care of at the expense of others."
  - » "External pressures—real or perceived—factor heavily into decisions as well as a fear of being audited and sanctioned."
  - » "Initiatives are loosely linked to organizational strategies, but benefits are not quantified, nor measured after the change is implemented."
- Operate in silos, or maintain decision-making authority only at the top without seeking feedback from employees.
  - » "Each business unit vice president decides what is good for his or her division. The president is ineffective and refuses to set goals."
  - » "Prioritization follows the issues that demand attention or that senior leaders consider important."
  - » "Decisions are made without input from (or awareness of impact on) those most affected by change."

Organizations With Effective Prioritization Strategies

- Integrate multiple criteria to set priorities.
  - » "Using various metrics to prioritize, the organization reviews and approves all initiatives for all departments. It is determined what efforts will provide even better service to our customers. The efforts are then weighted, prioritized, and scheduled."
  - » "We prioritize things according to what is most critical to the company's success. Decisions are based on what will benefit the company and its employees the most, including what will save the company the most time and money."
- Consider the organization's capacity to implement changes and maintain a long-term focus, track progress, and remain flexible enough to correct course while addressing emergent short-term, immediate needs.
  - » "Larger initiatives are prioritized by assigning new permanent roles. This ensures focus on the change initiative. Smaller initiatives are given deadlines, but are resourced by folks that already have full-time work."
  - » "We force business units to weigh each change initiative against the other projects so that only the strongest are implemented."
  - » "Discussion and annual goal setting to determine priorities. If new projects arise, then we revisit the list as a group and decide what to de-emphasize."
- Incorporate the input of multiple stakeholders, including employees most directly affected by the change.
  - » "The process uses staff feedback, board members, and executive-level leadership to initiate ideas and come up with measurable, specific goals to accomplish within a five-year timeframe."
  - » "The organization has a cross section of the entire institution working on strategic planning related to data collection, synthesis, and recommendations."