



SUPPLEMENTAL RESOURCES

Ensuring Your Organization's Capacity to Change

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Introduction

Whether your organization has enough workload capacity for change is a significant risk factor to your success. Most organizations are running at over-capacity: current operations consume the organization's capacity, and then leaders pile change on top of painfully stretched workloads without "taking anything off people's plates." This occurs regularly at senior and middle management levels.

Capacity is an overlooked strategic issue. Executives, being rightfully demanding, are generally poor judges of their organization's true capacity to operate effectively while taking on major change. Most either do not pay attention to capacity issues, or do not understand the dynamics and impacts that capacity challenges have on their people and organization. This article defines the issue and offers important recommendations for managing the workload between running your current operations and implementing change.

The Issue of Capacity

Capacity—in the context of change—can be defined as the organization's total workload for running current operations and conducting change activities. Adding any work requirements to either side of the equation consumes some of your organization's capacity. If you hear or observe any of the following, you have a capacity issue: "I can't keep up the pace." "We are burning out our best people." "Our top performers are starting to slip up." "I know you're busy. Do it anyway." "Take something off the plate? We can't! It's all important, and we can't say no."

If you consistently extend beyond your organization's limits of capacity, you may observe high stress in your people, resentment, departure of your best talent, poor performance, and increasing failures of

judgment from sheer lack of time to think clearly. Between operations and change, what can give? Typically, your changes are pushed to the side, since most organizations reward operational performance, not change.

In reality, capacity is finite; people can only do as much as they can humanly do, and you only have so many people. Capacity becomes an issue when one or both of the following two things occur. First, it becomes a problem when there is too much on the "normal operations plate," and leaders continue to add more work. In this situation, leaders are not paying adequate attention to the reality of the workload, are denying the degree of strain being felt by their people, or are demanding that there be more capacity than there actually is or can be. Second, leaders add major change on top of normal operating requirements and do not take anything off the plate to make space for the burden of change, which includes time requirements, resources, attention, meetings, personal change, and lots of ongoing planning and execution at all levels of the organization.

One organization we observed was planning diligently to become more effective and efficient. The pain of over-capacity resounded through its management ranks on a regular basis. The CEO felt there would be a surplus of capacity if people would only *be* more efficient. This created a painful double bind for his very devoted executives: How could they generate more capacity from being more efficient? The answer, of course, was to institute a series of efficiency initiatives, which *required capacity themselves!* Wouldn't it be great if you could simply flip the switch and suddenly be more efficient? But all change takes capacity, pure and simple, and the workload of change must be planned for just like operations.

Recommendations

Your first step is to assess the real capacity in your organization, for both normal operations and for carrying out your key change initiatives. The executive role in this “get real strategy” is to ensure that a capacity review process occurs to create a realistic picture of what is “on the organization’s plate.” Review your priorities and the timing of major operational and change projects, as well as what else is “coming down the pike” in the near term. Take a realistic look at how more work gets “put on the plate,” including work that may come from above—Corporate Headquarters—or from below, your business units. Assess what projects or events can be “taken off the plate,” or “put on the back burner” for the life of the change.

Executives should never take on the role of determining how much capacity a project requires; they are generally too far from the real work to accurately know. Instead, rely on your project managers, mid-managers, and supervisors, but be aware that any existing capacity burden felt by them may influence their data. Once you have received accurate data, use it to determine what to stop, slow down, or reprioritize to free up capacity, and where to apply your newly available resources.

A candid look at capacity requires a real partnership between your executives, mid-managers, supervisors, and employees. Trust issues across your organization’s hierarchy, as well as people’s fears of admitting to being overly stretched, will negatively impact the accuracy of your capacity assessment. Do your best to invite and respect an honest review.

Do take things “off the plate!” Your capacity review is not a lip-service exercise. Make the tough decisions to ease the strain—at least to what is humanly possible under the best of circumstances. Show your workforce that you can and do see the true workload reality

of your organization. You will send a visceral message, a truly bold action, by taking work “off the plate” to accomplish higher gain work and change.

Capacity issues are exacerbated by unrealistic timelines and insufficient resources. When people do not have the time or tools to achieve expected results, they take shortcuts that lead to failure or unnecessary rework. By adjusting timelines to fit your capacity, you can ensure better performance and higher morale in your employees. In short, do not make the mistake of neglecting capacity as you set due dates.

When initiating change, take a candid look at the capacity required to lead and implement it effectively, and make space for that capacity. Set up your changes for success by making the time for them that they actually require. Measure this against the operational workload for the life of the change.

When creating your change strategy, you have the opportunity to scan all other change efforts occurring or being planned in the organization. This is a great time to put your “capacity assessment” lens on. Include your operating priorities, and then take an objective look at the workload and where you might piggyback change efforts, or integrate or consolidate work. This is a key strategy to set up your changes to succeed and accelerate their pace!

Culture and Capacity

Your organization’s culture highly influences how your leaders treat capacity issues; and, how your leaders attend to capacity issues in turn dictates your cultural norms about capacity. Leaders do not always stop to think about whether or not their people can do what is needed; they just assume they can and will. This sets a tone that exists in far too many organizations today: “It’s all important! Do it all. You can’t say no. Faster, faster, more, more.”

This mindset causes leaders, managers, and workers to go numb to their own inability to keep on going, and going, and going. But in reality, even the Energizer Bunny runs out of juice at some point (don't believe the commercial!).

Take a hard look at your cultural norms and practices around capacity, and at the leadership mindsets that support them. If your organization's values include something akin to "Our people are our greatest resource," then your culture must support people's well-being as it relates to their sustained capacity to do the work of the organization: both operations and change work. Your organization, like many, may need to transform cultural norms that enable work plans to grow beyond the real capacity you have to achieve them. Keep in mind that this in itself is a change initiative, and will require real capacity to plan and see it through.

Summary

When initiating change, pay attention to the issue of capacity in your organization. Become aware of it, make it a priority in your planning, and take action on it. Staff and pace your changes so that they have the best chance of succeeding. We are not suggesting that your changes be carried out leisurely. Rather, the capacity issue is about being realistic. See your reality clearly and build your change strategy—and culture—accordingly. Get it right and watch your managers and workforce flourish, appreciate your leadership, and deliver both operational and change results.