



Managing Overload: Balancing Adaptation Capacity with Demand

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Even before the COVID-19 pandemic brought the world to a virtual halt, businesses were experiencing one of the most disruptive periods in recent history. Many organizations were experiencing increasing demands for their products and services while at the same time facing ever-greater challenges in delivering. The upshot was that many organizations began implementing significant changes to their strategies, their operating models, and their organizational processes in order to remain relevant, to sustain their viability over the longer term.

Now more than ever, the cumulative effect of ever-changing external circumstances and organizations' internal efforts to keep up have created a pervasive sense of overload among leaders and their staffs. In this paper, we explore the implications of this overload if left unchecked, identify the conditions that most often give rise to it, and provide a process for effectively managing overload by balancing the change demands placed on the organization with its capacity to absorb these changes. Finally, we close with two critical mindsets that leaders must bring to this process in order for it to be successful.

Alvin Toffler nailed it. Nearly fifty years ago, in his groundbreaking book of the same name, he coined the term “future shock” to describe the various problems that arise when people are confronted with more disruption than they can handle. Like fingerprints or cornea signatures, each person has a specific threshold for dealing with demanding situations. Humans have a supply of physical, cognitive, and emotional energy (**capacity**) that they use to deal with the challenges of change. Once demand exceeds capacity, any more demand triggers, in Toffler’s words, the “shattering stress and disorientation” of future shock.

Toffler’s prediction of what could happen is an all-too-familiar reality for us today. The volume, momentum, and complexity of transitions we contend with surpass anything we could have imagined even a few years ago. Small wonder that we see widely reported increases in stress-related physical and emotional health problems. And just as this demand overload affects each of us as individuals, so too can it affect entire organizations.

An organization, like an individual human being, has its own supply of physical, cognitive, and emotional energy that is used to deal with both day-to-day work demands and the additional stresses brought on by change (whether externally or internally motivated). When the cumulative demands on an organization exceed its collective capacity to address them, a version of future shock occurs. We call this **organizational overload**.

Top executives are the drivers of most major initiatives within an organization, and change-related projects typically create the most severe cases of overload. Therefore, the primary focus of this paper will be on how leaders can balance the demands created by the changes they are introducing with the adaptation capacity of their organizations.

THE IMPACT OF OVERLOAD ON ORGANIZATIONS

The effects of organizational overload can be substantial, if not catastrophic. Unless leaders are attentive to this problem, their organizations can experience a range of negative impacts, all of which undermine their ability improve the lives of their targeted recipients.

- **Inadequate Support:** Although overload can be traced to numerous change initiatives hitting the organization at once, there is usually one big project that seems to push people over the edge. When this happens, the understanding of, commitment to, and alignment around that change can be severely inhibited. People don't have the bandwidth for thinking through the ramifications of the change or engaging in the discussions necessary for them to truly enroll in the initiative's success. As a result, when overload occurs, people sign on to support changes without the ability or resolve to contribute as effectively as is needed for the change to succeed.
- **Resistance:** Numerous factors contribute to resistance to change. One that is often overlooked or mishandled is the inability of the people being affected by the change to fully assimilate what is being implemented. Managers executing multiple overlapping initiatives often say, "My people just can't take any more." Many times, resisters who push the hardest against change aren't doing so because they lack belief in it—they just don't feel they can comply with the latest

additional change demand on top of all the other initiatives they have been asked to accommodate. Once again, demand exceeds capacity, and in this case, it results in resistance.

- **Weak Results:** When people can no longer assimilate what a new initiative is asking of them, they tend to *install* rather than *realize* the project's intent. That is, instead of fully accomplishing the true purpose of the change, they only have the capacity to implement a short-term, superficial version of the change. The result is the *appearance* of change being in place, but the fundamental reason for implementing it is likely not achieved.
- **Opting Out:** One of the symptoms of organizations taking on more demand than they can support is the tendency not to hold people accountable for their change-related actions. This often leads to people making unilateral decisions about which changes they will “forgo” based on their own values and priorities, since they rarely suffer any negative consequences for doing so. The result is a negative spiral that further reinforces *installation* rather than *realization* of the change objectives.
- **Encroachment:** When a particular project pushes people past their absorption limits, all the other changes they are trying to accommodate can be affected, as well. Thus, the implications for overloading an organization with change go far beyond the failure of a single effort. A good analogy for encroachment is the children's game of stacking wooden blocks, one on top of another, until adding one more block results in the collapse of the tower—almost always, most (if not all) of the blocks fall over!
- **Damaged Leadership Credibility:** When important changes are announced that don't later materialize, the leaders who sponsored these initiatives inadvertently teach people not to listen to them. They reinforce the cynics who don't believe that change is possible or that their leaders are seriously committed to realizing the change. Either way, leadership credibility suffers.

Whenever the demands related to change efforts outstrip an organization's capacity to accommodate them, the mission the organization is pursuing and the people involved suffer. It is

essential, therefore, that leaders who are driving major change know to anticipate—and, to the degree possible, minimize or avoid—the dysfunctional implications of overload.

When Is Overload Most Likely to Happen?

Many factors contribute to the likelihood of an organization ending up in an overload situation – some external and beyond a leader’s control, while others are internal and very much under the leader’s purview. Here are four common ways in which leaders can create the conditions that lead to overload:

- Leaders badly underestimate what is necessary to accomplish their desired results and the level of disruption people will experience when the change is implemented.
- Leaders operate as if there is an unlimited supply of energy and goodwill available among their staff to accommodate the changes they decide are necessary for the organization.
- Leaders lack the courage and/or discipline to say “no” to initiatives they desperately want to execute (or are under pressure to pursue) in order to protect the organization’s ability to adapt to even more important changes.
- Leaders believe so strongly in the soundness of their change decision that they fail to conduct proper due diligence to assess the organizations’ readiness to absorb the change.

Overload is a costly and ubiquitous reality in today’s professional landscape. Its prevention, diagnosis, and treatment fall squarely on the shoulders of their senior leaders. Otherwise, staff can’t keep up, and recipients don’t receive the critical services they so desperately need. In other words, recipients pay the price for a leader’s failure to manage overload.

Energy is the Currency of Change

Change inevitably involves shifts in people's expectations. At a personal level, three types of energy are required to make these adjustments:

- Cognitive energy (to figure out what is happening and how to respond)
- Emotional energy (to deal with feelings like loss, anxiety, threat, relief, joy, or optimism)
- Physical energy (to accommodate the bodily implications of stress, excitement, etc.)

To realize the intended benefits of a major change, the people affected must possess sufficient **adaptation capacity**, or the energy needed to incorporate the new mindsets and behaviors required to realize the change.

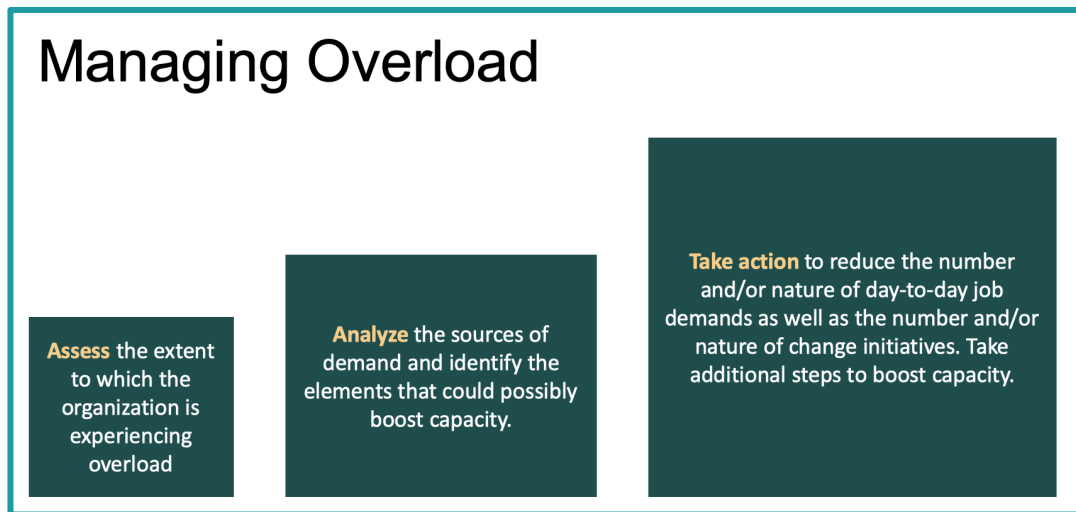
To further complicate the situation, people contend with change on top of the energy demands they already face from their normal routines. It is important to recognize that people only have one reservoir of energy available to them; this must be used to address demands from both day-to-day operations as well as change initiatives. When a high change load is added to an already-demanding workload, the likelihood of organizational overload is extremely high.

HOW TO BALANCE DEMAND AND CAPACITY

To effectively manage organizational overload, leaders must devote significant attention to striking the balance between their organization's capacity to adapt to change and the demands new changes impose. Finding this balance can be difficult. Leaders and their senior teams must:

1. Determine whether the organization is at or near a point of overload by assessing the extent to which a set of indicators of overload (provided below) are present.

2. Analyze potential sources of overload by looking at the demands coming from change initiatives.
3. Take targeted actions to reduce demand and/or to boost capacity so as to not jeopardize full realization of the most critical change initiatives.



Assessing Overload

Strategic assets are, by definition, vital to an enterprise's future. They are highly sought after, protected once secured, and not easily replaced. The ability of organizations to operate smoothly, without disruption or dysfunction, even when undertaking major changes, is one such asset. Therefore, as with all strategic assets, change capacity must be explicitly managed—and this means it must be measured.

The first step to measure capacity (and then weigh it against demand) is to estimate the presence and degree of overload within the organization. When capacity exceeds demand, people are more likely to deliver positive results in both day-to-day work and in change initiatives. However, as demand begins to equal and then exceed capacity, various indicators of dysfunction start to emerge and increase. The following categories can be used to assess the degree of overload:

- **Performance:** Are productivity and effectiveness levels dropping? Are projects behind schedule and/or running over budget?
- **Quality:** Are quality-related problems emerging? Is more time being spent fixing mistakes?
- **Realization:** Are initiatives failing to achieve their promised results? Are people doing the minimum required to put new things in place, rather than investing the energy to fully achieve the desired outcomes?
- **Strain:** Are people experiencing a decline in their physical/mental health? Are interpersonal relationships deteriorating? Are there increased absences or stress-related symptoms? Are there signs of communication breakdown or decision-making problems?
- **Morale:** Is the work climate negative or declining? Are people feeling disheartened and losing confidence and enthusiasm for the organization and their work?

Analyzing Demand

Once the presence and extent of organizational overload has been assessed, it is critical to conduct an in-depth analysis of the causes of the overload. Again, in this paper we will limit our discussion to analyzing those sources of demand that come from change initiatives (e.g., executing a new strategic plan, implementing a new digital platform for engaging and retaining donors, or integrating a new agency after a merger). Each change presents a unique set of challenges and disruptions that require energy to accommodate. When multiple changes are in process, the combined impact represents the demand individuals must deal with—that is, the demand that could potentially lead to overload.

The following elements affect the level of energy people must expend to deal with change:

- **Volume**—the number of changes that require people to shift aspects of their work
- **Momentum**—the urgency and pressure to quickly accommodate or execute the changes

- **Complexity**—the extent to which changes have many interconnected parts
- **Future Change**—the extent to which impending changes will add to the combined load
- **Change Coordination**—the extent to which changes are implemented as separate activities, unconnected to a larger picture

One example of a change with high energy demands comes from a large international organization that recently adopted a new 15-year strategic plan. This plan calls for a number of integrated changes. First, its various affiliates must coordinate their heretofore independent strategic planning and annual budgeting processes. Second, the organization will implement radically new ways of earning revenue. Third, the organization will dramatically narrow the focus of its programs. And finally, the organization will adopt—across its nearly 50,000-person staff—a set of new mindsets and behaviors deemed essential for the intent of the strategy to be realized. In all, the strategy involves over 20 strategic initiatives and touches every single function, region, and office. This demonstrates an extremely high level of demand coming from volume, momentum, complexity, future change, and change coordination.

TAKING ACTION: KEY ACTIVITIES IN REDUCING CHANGE-RELATED DEMAND

Once the main contributors to overload are identified, one of the most powerful actions leaders can take is to reduce change-related demand. This process can be arduous and requires high levels of sponsorship; however, it has the potential to greatly reduce levels of overload that put the organization's performance, and the realization of its critical change initiatives, at risk.

Inventory

The first step is to create an inventory of all current and anticipated changes that meet a defined set of criteria. (Typically these are changes that consume a lot of energy to implement, affect multiple

departments or divisions, and are anticipated to have significant impact on the people who will need to shift mindsets and behaviors.) This list of major changes serves as the basis for the activities that follow.

Prioritization

The next step is to sort all major initiatives into one of three classifications:

Crucial Imperatives—These are initiatives that absolutely must be achieved. The price of the status quo is prohibitively high, and the solution in question is the best available remedy for achieving the desired results. Any change capacity that can be made available is allocated to these initiatives before any others are engaged.

Good Ideas—There are compelling reasons for moving forward with projects of this nature, but only if sufficient progress has been made or is being made with the top-priority changes. The status quo, while not preferable, must be considered acceptable if that's what it takes to protect the crucial imperatives.

Unacceptable Ideas—These projects should not be implemented; they cost more in terms of time, money, and effort than the value they create.

After classifying all of the initiatives, the next step is to pluck the low-hanging fruit by ensuring that all the unacceptable ideas (as determined by senior leadership) have been eliminated. (This may not be as easy as it sounds because of political pressure to start or keep certain projects alive.)

Next comes the really hard part: separating crucial imperatives from good ideas. Many organizations tend to pursue any change that creates some degree of value, but this is exactly the way overload gets created. Instead, crucial imperatives must be prioritized. As a basic guideline, allocating capacity to good ideas shouldn't even be considered until all the crucial imperatives have been properly addressed.

Tough Decisions

Once initial rounds of prioritization have been completed, it is not unusual to find that the list of crucial imperatives still exceeds remaining capacity. If the aggregate demand of all the critical changes is beyond what people can absorb, some of the initiatives that first appeared to be absolutely essential will have to be reclassified as good ideas.

Changes that remain classified as crucial imperative are the ones where nothing less than complete fulfillment is acceptable. They must be implemented in a way that ensures the solutions work functionally or technically as designed and the people affected reflect the full spirit of their intent (rather than just going through the motions). This means “implementation integrity” must be attained by ensuring that the desired mindsets/behaviors are demonstrated in a quality manner and sustained over an appropriate amount of time.

Follow-Through/Vigilance

When decisions have been made to re-scope, delay, install, or terminate projects, leaders must do all they can to ensure that the decisions are communicated and that accountability (with consequences) and follow-through are in place. This is the only way to increase the likelihood that decisions are carried out and sustained. Leaders must maintain a tight vigilance to ensure major change priorities are adhered to and new, “unvetted” projects are not launched.

CRITICAL MINDSETS

While the preceding steps to more effectively balance capacity and demand are time-tested, we have seen leaders who employ similar actions come up short time and again. They just cannot seem to identify and eliminate enough of the demand that is leading to overload and dysfunction. After considerable investigation, we’ve determined that this shortfall is due primarily to an absence of the two critical mindsets required to make and implement tough decisions under difficult conditions:

1. The *courage* to be honest with themselves and others about what it will take to succeed, and
2. The *discipline* to take the necessary action, particularly when it is difficult and perhaps costly to do so.

These two mindsets are essential when leaders are navigating major change and attempting to balance capacity with demand. First, it takes courage for leaders to admit that they may be (and often are) at fault for the excessive demand that has tipped their organization into overload. Recall that leaders create the conditions for overload when they underestimate the disruption people will experience, when they operate as if there is an unlimited supply of energy and goodwill available, and/or when they fail to properly assess the organization's readiness to absorb the change.

Second, it takes discipline for leaders to conduct a thorough audit of the number and nature of all energy-consuming initiatives leading to the overload. It is no small task to itemize all the key projects impacting an organization, and it can be especially uncomfortable when this list includes so-called "pet projects" in which the leaders themselves are heavily invested. When they do pursue this task, leaders must exercise discipline to avoid looking at the results from a strictly "resource" perspective (*Do we have enough money, people, and/or technology to pull this off?*). Rather, they must also examine the list of initiatives from an adaptation perspective (*Do our people have the capacity to absorb these changes on top of everything else we are asking of them?*).

Third, it takes both courage and discipline to honestly prioritize all the change efforts and to decide which ones to terminate, delay, re-scope, or otherwise adjust. This is especially true when an effort to prioritize initiatives has still left a cumulative demand that exceeds the organization's capacity to adapt. In such situations, leaders may feel they are facing "Sophie's Choice" decisions, where every potential outcome is less than desirable. Yet for the sake of the organization and its mission, these decisions must be made—and for that, leaders need courage and discipline.

Finally, once the difficult decisions have been made, it takes both mindsets to actually implement the decisions. Unpopular decisions will inevitably trigger strong reactions by those whose programs or initiatives are negatively impacted. There will be economic, political, or emotional pressures to

reconsider, and there will be pleas to make exceptions. Leaders who make exceptions generally do so at their own peril—they endanger the very initiative(s) that they believe are most crucial for their organizations. Therefore, they must exercise courage and discipline to stand their ground.

CONCLUSION

Overload can devastate an organization's ability to adapt to rapidly shifting external circumstances and deliver the impact that its staff, donors, and recipients require. It occurs when the combined demands of external factors, day-to-day job activities, and organizational change initiatives exceed people's available physical, emotional, and cognitive energy.

To avoid overload and effectively balance their organization's adaptation capacity with change demand, leaders must learn to recognize the signs and symptoms of overload. They must then be able to analyze what factors are causing the overload to occur and make strategic, often very challenging decisions to reduce demand in order to better align with the adaptive capacity of their organization.

And while employing a set of mechanics to assess, analyze, and take decisive actions to balance capacity with demand is necessary, it is not sufficient. Leaders need to bring forward both courage and discipline to ensure that they can make and will execute the tough decisions required to successfully realize their intent of their crucial imperatives.

Finally, the most effective way to avoid overload and maintain healthy adaptation capacity is to take preventative measures. To stay ahead of the future shock that Toffler predicted, leaders must learn to anticipate overload and take appropriate action to preserve their organization's capacity. In this way, organizations can continue to adapt and deliver despite an uncertain landscape.

Conner Partners will continue to monitor and study the factors that are aiding or impeding the progress of leaders and their organizations as they adapt to—and hopefully thrive in—this unprecedented environment of change and disruption. We invite you to download our other research papers and follow our future insights on our website, connerpartners.com/.

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ABOUT THE AUTHORS

Daryl Conner

Daryl is founder and chairman of Conner Partners, a consulting firm specializing in strategy execution; Conner Academy, a professional development firm dedicated to helping leaders and change practitioners explore character and presence as a means for advancing their capabilities; and Conner Advisory, a consulting firm dedicated to serving leaders who are pursuing *changes that matter*.

During his 40-plus years of practice, Daryl has educated and advised strategic leaders and seasoned change practitioners in many of the world's most successful organizations. His focus has always been on helping them both understand and address the challenges and opportunities they face during transformational change.

Daryl's work is built on a strong foundation of research, extensive consulting experience, and a master's degree in psychology. He has authored two books—*Managing at the Speed of Change* (Random House, 1993) and *Leading at the Edge of Chaos* (John Wiley & Sons, 1998)—and more than 250 other publications including journal and magazine articles, monographs, book chapters, and videos.

You can read Daryl's blog on executing major change at connerpartners.com/daryl-conner/blog as well as his new essay series on the mastery path for experienced change practitioners at conneracademy.com/category/essays/.

Ed Boswell

Ed is co-founder and CEO of Conner Advisory, a consulting firm established for the sole purpose of supporting leaders who are pursuing *changes that matter*. In this capacity, he collaborates with leaders from a diverse set of humanitarian and development organizations such as World Vision, Doctors without Borders, and Relief International, as well as associations such as InterAction and InsideNGO that support the international NGO community.

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